





## The week in London and

## Underlying weakness in U.K. equities

New York  
Feverish days

BY NICHOLAS COLCHESTER

For once, it is possible to pinpoint precisely the key moments for equities this week. At 2 p.m. on Tuesday, the FT Industrial Index was registering a fall of 18.6 points on one

Top performing sectors in four weeks to November 4	
Aircraft and Components	14.4
Toys and Games	11.5
Household Goods	4.0
Discount Houses	1.7
Entertainment & Catering	1.6
Motors and Distributors	1.2
% Fall	
All-Share Index	4.1
The worst performers	
Tobacco	6.7
Chemicals	7.1
Investment Trusts	7.3
Banks	7.4
Merchant Banks	7.6
Insurance (Life)	8.4

and a half days' trading. At 4 p.m., the rally which was to extend to 16.7 points by Thursday evening was already under way. What had changed, quite simply, was Wall Street, finally on the turn after Monday's big sell out.

In the next couple of days, all the U.K. equity sectors moved up together: those areas which had taken the worst beating recently, like some of the financials, showed especial

strength with rises of 4 per cent in the composites and life insurance categories. But the dominant influence of Wall Street remained crystal clear, with the FT Industrial Index opening firm on Wednesday and Thursday, trailing back around mid-day and surging up again as the U.S. tapes started to tick.

The underlying uncertainties in our market became even more apparent yesterday when a dull overnight performance on Wall Street left U.K. prices tumbling and the FT Industrial Index 9.4 points lower over the week at 400.4. The depressing implication is that Wall Street has to keep going up—fast—just to hold London steady.

## Bleak news from Shell

Until last Thursday, Shell's relative price weakness this year—compared with BP or the market in general—seemed inconsistent with what appeared to be entirely reasonable projections of 15 per cent net income growth for 1971. The weakness, of course, stemmed from the even worse share price performance of Royal Dutch—

depressed by the general trend in Wall Street since then.

So the fact that the latest third quarter figures show a 7 per cent earnings decline to \$86.2m—against a background of poor third quarter performance last year and with Esso, Mobil and Texaco having produced third quarter gains of between 11 and 18 per cent—left the shares struggling for a foothold. By last night Shell had dropped 29p to 319p in two days while BP was 23p lower at 550p. All sorts of reasons can be advanced for the third quarter shock, but one point stands out a mile: Shell's Eastern Hemisphere commitment, with 60 per cent of its net income from that source in 1970 against 23 per cent for Esso, is not to its advantage at the moment; in fact, it looks as if the contribution of the main North American subsidiaries, Shell Oil U.S.A. and Shell Canada, has risen to 26 per cent of earnings in the third quarter from 17 per cent in the first half.

## Cement prices and politics

Question: what makes a cement maker glum? Answer: ask him about the industry's common pricing arrangement.

The latest and greatest cement price increase last May had the consumers up in arms, with some cynics arguing that the cost problems of one company—Tunnel—were the basis for the industry-wide price rise.

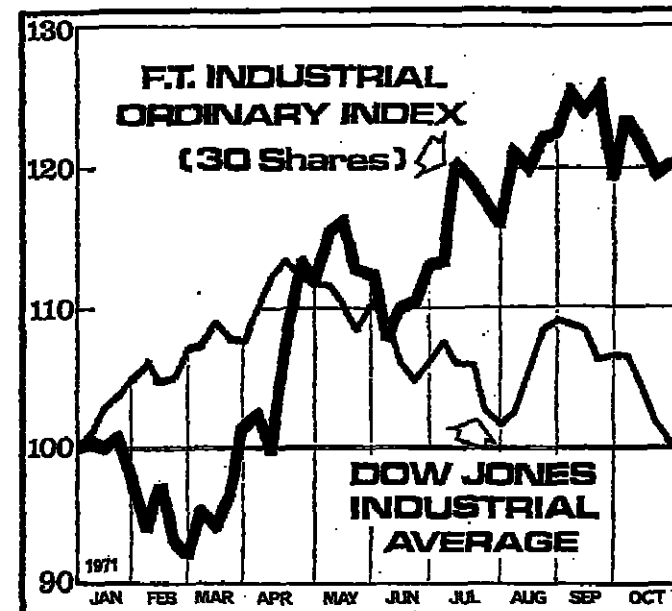
This week, devious minds (like Onlooker's) were linking possible changes in the pricing system with market rumours of a bid by Associated Portland Cement for Ready Mixed Concrete. After all, if there were to be a cement price free-for-all, forward integration with a major consumer might make a lot of sense. However, such radical changes look unlikely, for however keen the cement industry is to retain its effective price monopoly, it does not follow that the arrangement is against the public interest.

The PIB price freeze dropped the industry's return on capital employed from over 8 per cent in 1967 to 2.3 per cent in 1968, and the massive price increases since then will still leave current year returns at just 10 per cent. In a capital intensive business, the argument runs, that would not be enough to attract new investment without the security of common pricing. Approving the present arrangement in 1961, the Restrictive Practices Court accepted that prices could be significantly higher under any other scheme.

Best equipped to cope with any change, would be the low cost producer with the best distribution system and the strongest market share. That is Associated Portland, on a prospective p/e of around 15. Rugby is on a similar rating and Tunnel is selling at perhaps 13 times current year earnings.

## Bids in the china shop

Morgan Crucible tried and failed to woo Royal Worcester earlier this year, and now S. Pearson is bidding for Doulton. But this does not mean that the industry has yet overcome its



problems of sluggish demand for tableware, both at home and in North America, where the position has been aggravated by dock strikes, the Nixon surcharge, and continuing Japanese competition. Total export growth by the U.K. manufacturers for the first half of 1971 was just 8 per cent—and that mostly in electro ceramics and tiles.

Doulton was finding 1970 profit levels hard to maintain after six months of 1971, though Royal Worcester is looking for some (unquantified) growth this year. Individual performances through 1972 would seem to depend a great deal on sales mix: there may be a brightening picture in the U.K., but there is a trend to lower-priced ware in the U.S.

Sales make-up is also an important ingredient behind S. Pearson's bid approach to Doulton. Doulton still gets the bulk of profits, say three-quarters in 1970, from tableware but is firmly entrenched in industrial ceramics and sanitaryware. Against that Allied (two-thirds owned by Pearson, and where Doulton would eventually be slotted) is wholly a tableware maker and retailer.

An offer of around 83p per share values Doulton on an historic p/e of over 20, against 14 for so far Wedgwood and Royal Worcester, and 12 for Allied. The outcome may depend on Doulton's hopes for sanitaryware growth plus its sizeable fine china capacity increases lately: the market's hopes are plain enough with Doulton standing at 90p.

## Process plant trends

The Chancellor may be confident that the economy is now

expanding at 4 per cent to 4 1/2 per cent a year but this more cheerful mood has not yet spread to the steel and process plant sector where a drop of up to 20 per cent in new orders is expected over 1971. But the market still managed to find some comfort in this week's interim statements from Whessoe and Head Wrightson, marking the shares up a few pence after strong rises earlier this year.

In Whessoe's case it has been a recovery story with new management slashing overheads and the overdraft, so that pre-tax profits of well over the £1m mark are being widely projected for 1971-72 against £554,000 last year. Though the order shortage is being noticed, cost savings have meant that at the Aiton division a £3m fall in revenue from the previous half has resulted in only a £150,000 trading deterioration.

However, a brighter note for both companies is that the British Steel Corporation seems to be keeping to its capital investment programme, in the medium-term at least. And with contracts getting bigger, the whole picture could be transformed, if, say, only a quarter of the rumoured £400m-worth of West European contracts in the pipeline came to the U.K.

Meantime there is always the consolation that with profits taken on completion, the pre-tax totals should look healthy for some time to come given the usual two-year production cycle. Head Wrightson, for example, still has to feel the main benefits of the 1969-70 jump in new orders from £20m, or so to £34m (£44m in 1970-71) even though the order intake is likely to be lower this year.

Onlooker

THE NEW YORK stock market ended the five trading days of this week with an overall gain on the Dow Jones Industrial Average of 1.34 points, taking it to 840.39. This mild increment disguised what was the most dramatic shift in stock values since Wall Street's reactions to the new Nixon policies in the middle of August.

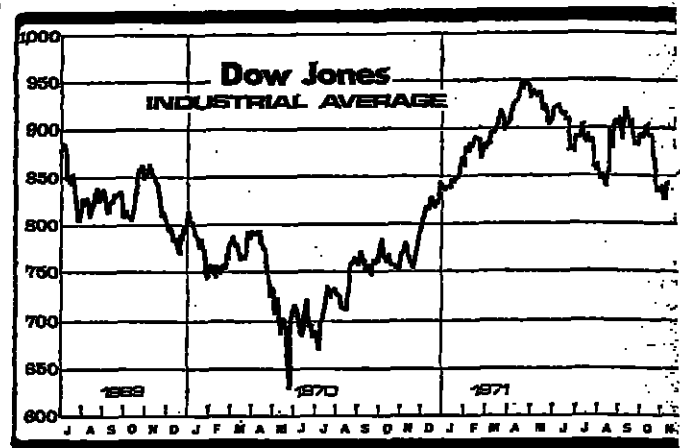
To many observers the week was a fever point in a malaise that had taken the Dow down by 70 points in three weeks with barely an upward pause. The fever sent in on Monday when the market slid downwards by 13 points with four stocks falling for every one that managed to rise. Volume was light at 11m. shares so there was no atmosphere of disaster—rather a feeling of baffled pessimism seemed to pervade.

There was some mildly gloomy news to depress the market. Steelmakers were reported to be worried that the fourth quarter would not prove any better for orders than the disastrous third; airline stocks had a bad day on the strength of a bearish report. But the unkind cut of all came from Mr. Elliot Janeway when the New York Times, with impeccable timing, revealed that he saw the market dropping to 500. This, at a moment of psycho-

August. Volume rose stilling on Thursday and the market took early heart from a cut in the prime rate on the U.S. commercial bank reducing them to 5 1/2 per cent from 5 3/4 per cent. But the surge petered out and the market ended almost unchanged. On Friday the Industrial Average shed 2.78, with the volume of 5m. shares to 101m.

This symmetrical series downward and upward leaps Wall Street back onto an old, old path. But it did little to heal the basic dichotomy of opinion where the index is now. Generally speaking, the fundamentalists are extremely bullish with one major proviso, the technical analysts continue to be concerned. Oppenheimer and Co., which I quoted as this week as being bearish, extremely anxious to state that every projection of the performance of corporations year leads it to be bullish. Fears are mainly short term concern the problem discussed here before, of the spate of equity issues that has been appearing at every upturn of the year's market and the fact the major institutions have already committed an unwieldy quantity of their funds.

On the profits side, Oppenheimer's analysts share



logical confusion, was just what the market needed to hear. As this column noted last week, the technical analysts had been saying that the market was "overvalued" and was thus ready for a short-term upward correction. The column also noted that it would be considered significant if this correction had a certain vigour.

The correction came on Tuesday, and vigour seemed to be there. Tuesday started with a hurried continuation of the fall on Monday, dropping by 7.33 points in early trading. Then the correction took hold and left the market up 2.12 points at the close. It was continued on Wednesday when, with rising volume, the market matched Monday's decline with a rise of 14.6 points lifting the index back past the low that was established at the beginning of

optimism of Albert Corch, chief economist of the Lynch. They point out that a summer demand has been picked up all this year but has had a subdued effect on profits. Cause industry has been demanding out of inventories. Inventories are down to a portable level and the continuing growth in consumer spending should start working through profits in a very noticeable way. Oppenheimer is particularly enthusiastic over the outlook, consumer stocks.

The one major proviso fundamentalists attach to optimistic outlook is that it only valid so long as the W and Price Review Board keep fairly tight rein on wages at same time as it monitors profit. This really boils down to a labour will show its measure of co-operation Phase Two.

## MARKET HIGHLIGHTS OF THE WEEK

F.T. Ind. Ord. Index	% day	Change on Week	1971 High	1971 Low	Dominated by Wall Street
Allen (Edgar)	277	+27	306	150	Bid speculation
Ash and Lacy	166	+66	175	70	Bid from Expanded Metal
Ashworth and Steward	110	+30	110	41	Tentative bid approach
Assoc. British Maltsters	152	+38	152	45	Bid approach from Giltspru Invs.
Cons. African Sel. Tst.	126	-17	273	87	Div. halved: profits well down
Cranberry Elect.	170	+21	170	130	Encouraging annual results
Doulton and Co.	90 1/2	+29 1/2	92	50	Bid from S. Pearson and Son
Ellis (Kensington)	144	+32	144	58	Bid from Kilton Investments
G. R. (Holdings)	190	-16	255	180	Poor results
Hambros	314	-49	385	212 1/2	Disappointing interim statement
Inchcape	477	+12	487	265	Proposed scrip issue: div. forecast
Limmer Holdings	65	+9 1/2	68	12 1/2	New offer from Tarmac
Makum (Assam) Tea	60	-12	72	49	Halved dividend
Poseidon	650	-50	622	500	Disappointing quarterly report
St. Piran Mining	43	-8	69 1/2	43	Interim dividend cut
Shell Transport	319	-29	426	316	Poor third-quarter earnings
Trust Houses Forte	142	+9	178	116	Speculative demand
United Transport	195	+44	195	88	Revised bid from BET
Yorkshire Chemicals	286	+28	290	110	Good half-year figures

## MINES IN THE NEWS

## From the nickel front

BY KENNETH MARSTON

IF THEY are still capable of doing so, the long-suffering holders of Nickel shares must have shuddered at the latest news from the world's biggest producer, Canada's International Nickel. Firstly, the company has announced that it is reducing production by a further 15 per cent following the 7 per cent cutback announced as recently as August.

Secondly, it has produced earnings for the past nine months of this year of \$86.4m, or \$1.15 per share, which compare with \$160.7m in the same period of 1970 when nickel was still in good demand. To-day, Inco is having to carry high stocks of unsold metal while consumers, it should be noted, are buying little more than their immediate needs.

Against this background it is interesting to note that Mr. Henry S. Wingate, the Inco chairman has said that there has been a slight improvement in orders for nickel products in recent weeks and there are indications that the level of the company's sales may have touched bottom in the past quarter.

## No fireworks

From the embryo nickel miners have come progress reports which, satisfactory enough for the most part, have not been of the stuff to inspire

share markets, especially in the latter's present mood. Poseidon's recent drilling has continued to build up the ore picture at Mount Windarra and, importantly, the company says that indications are that there is sufficient water within a reasonable area to supply the new town and nickel mining operation.

Meanwhile, Poseidon is getting a useful income from the Burra copper mine in South Australia and I hear, unofficially, that the company has repaid its \$10.5m. (\$4.9m.) loan from Anglo American Corporation. Fresh news will be looked for in the Poseidon annual report, which should be coming along this month, or at the subsequent meeting in Adelaide.

The ore picture is also building up nicely at the Selection Trust group's prospects at Agnew, some 100 miles to the west of Mount Windarra. The latest drilling has included a programme down to 1,000 feet in one section of the property which has outlined 9m. tons of ore with an average grade of just over 2 per cent nickel, this estimate ignoring mineralisation containing up to 1 per cent nickel.

The orebody appears to plunge steeply into the earth and, indeed, one borehole was still finding ore at a depth of 2,000 feet. So while the 9m. tons outlined is enough to justify the commencement of

a mining feasibility study, there is no doubt at all that the full ore potential of Agnew will be far, far greater.

Sharing the Agnew operating company are Selection Trust with 48 per cent, Consolidated African Selection Trust 32 per cent, and Seleat Exploration 20 per cent. In addition, 83.2 per cent of the last-named company is shared on a 60-40 basis by Selection Trust and CAST.

## CAST income

Basically, CAST is still living off its traditional diamond mining operations, notably its activities in Sierra Leone where that country's Government last year and CAST has 48 per cent of the holding company. National Diamond Mining. As part of the compensation terms CAST was allowed to keep its important Sierra Leone diamond stocks.

Because of this, NDM has had to start from scratch and it could take as much as three months' production to replenish these stocks. Thus profits of NDM for its past year to June 30 last are not going to look very exciting when the accounts are

produced and in view of the company's loan position it is doubtful whether there will be much in the way of a dividend.

For the current year, however, the NDM profits should improve and CAST should also receive its first half-yearly repayments of the Sierra Leone compensation bonds. Furthermore, it should be remembered that CAST has a 40 per cent stake in Selection Trust's new South Bay copper-zinc-silver mine in Ontario, which started production in March.

Modest though it is, the CAST dividend yield of about 4 per cent is soundly based and the chances are that there may be a higher payment for the current year. This is not a bad backing for a company with a sizeable stake in what may prove to be one of the most exciting of the Australian nickel discoveries and whose shares now stand at less than half their high for this year.

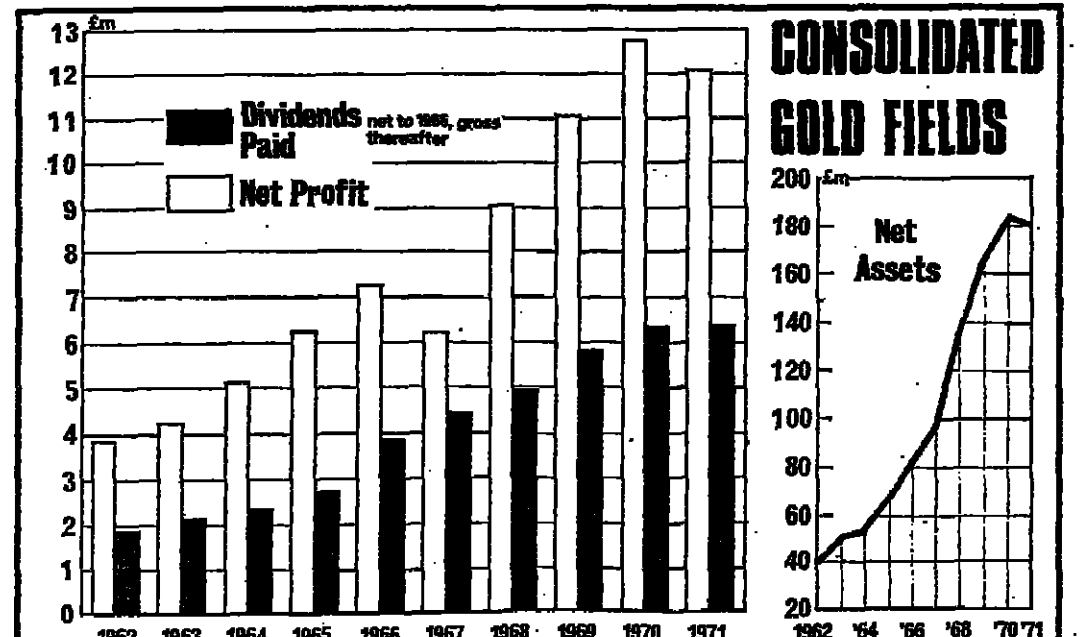
## Tin world

In the Tin world, Charter Consolidated's two problem children, Ayer Hittam and Sussel Besi, continue to improve. The October output figures bring Ayer Hittam's total for the past four months to 851 tons of tin concentrates compared with 484 tons in the same period of the year to last. To June when net profits slumped to \$0.3m from \$1.3m. The company has always to live with highly erratic tin values in its ground, but one hopes the chairman may be able to dispense a little cheer at the meeting on December 9.

Surgei Besi, which expects to return to the dividend list for the current year to March 31, has lifted output for the past seven months to 1,420 tons compared with 870 tons a year ago. Tronch marches on with a 10-month total of 2,871 tons, against 2,202 tons.

But the Far Eastern and U.K. operating St. Piran is still running at slightly below the rate for 1970, while profits for the past half-year have more than halved and the interim has been reduced to 2 1/2 per cent on the 5p shares from 5 per cent a year ago when the final was 15 per cent.

Higher costs in the U.K. are largely to blame, but at least next year's production should reflect the full benefits of the Cornish South Crofty mine's expansion.



Having managed nearly to maintain net profits in a difficult year to June 30, Gold Fields faces further uncertainties in the current period. The strength of the group's asset backing is underlined by the fact that its investments at book value only. On the basis of market value the 1971 total rises to £200m.

## TV/Radio

\* Indicates programme in black and white.

**BBC 1**  
9.35 a.m. Square Two. 10.00 a.m. News. 10.10 a.m. News. 10.20 a.m. News. 10.30 a.m. News. 10.40 a.m. News. 10.50 a.m. News. 11.00 a.m. News. 11.10 a.m. News. 11.20 a.m. News. 11.30 a.m. News. 11.40 a.m. News. 11.50 a.m. News. 12.00 a.m. News. 12.10 a.m. News. 12.20 a.m. News. 12.30 a.m. News. 12.40 a.m. News. 12.50 a.m. News. 1.00 a.m. News. 1.10 a.m. News. 1.20 a.m. News. 1.30 a.m. News. 1.40 a.m. News. 1.50 a.m. News. 2.00 a.m. News. 2.10 a.m. News. 2.20 a.m. News. 2.30 a.m. News. 2.40 a.m. News. 2.50 a.m. News. 3.00 a.m. News. 3.10 a.m. News. 3.20 a.m. News. 3.30 a.m. News. 3.40 a.m. News. 3.50 a.m. News. 4.00 a.m. News. 4.10 a.m. News. 4.20 a.m. News. 4.30 a.m. News. 4.40 a.m. News. 4.50 a.m. News. 5.00 a.m. News. 5.10 a.m. News. 5.20 a.m. News. 5.30 a.m. News. 5.40 a.m. News. 5.50 a.m. News. 6.00 a.m. News. 6.10 a.m. News. 6.20 a.m. News. 6.30 a.m. News. 6.40 a.m. News. 6.50 a.m. News. 7.00 a.m. News. 7.10 a.m. News. 7.20 a.m. News. 7.30 a.m. News. 7.40 a.m. News. 7.50 a.m. News. 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# Unit trusts

# Your savings and investments

# High demand for Wine . . . and building

**Good showing by Barclays Unicorn**

BY KEITH LEWIS

BARCLAYS UNICORN has been in recent months for its in keeping sales up and down. On rough reckoning, sales have represented 10 per cent. of sales over the last 12 months, and it is argued that Unicorn sales not included in the industry as a whole. As it was, overall the movement in that fund was less than 24m.

Reason for this success is, of course, the fact that the fund has been a prime example of being a market leader. It has been a market leader in the fund industry since its inception in 1965. It has been a market leader in the fund industry since its inception in 1965. It has been a market leader in the fund industry since its inception in 1965.

**BY STANLEY GUYER**

Since the setback to demand that followed the excise duty increases in 1968-69 sales of wine in this country have been picking up sharply this year. More than 4m. gallons were cleared from bond in August. This brought the total gallonage of wine sold in the first eight months to a record of over 23m. 27 per cent. up on the same period last year.

Investmentwise the Stock Exchange market in wine is very small. The main shippers and distributors have largely been scooped up by the brewers where for example Allied takes in Grants of St. James, Harveys of Bristol, The Victoria Wine Company and Vine Products. Most of the other leading brewers have a stake in wines too. So if the negotiations that Ellis and Co. (Richmond) says it is now having for a "closer association" with another company materialise and the £6m. Spanish bid for Williams and Humbert goes through, the direct investment choice will become even thinner. At 18p Ellis is selling on a 6 per cent. yield basis and a p/e of 18.

**George G. Sandeman and Son** of the current year sales both for its surgical rubber gloves, is one of the few old-established at home and overseas have toiletries and other products, has companies that has remained increased and profits should move into wine distribution in independent. The business reflect the higher prices for port quite a big way. Sales through dates back to 1780. It was made that were introduced at the 147 Wine Ways outlets public in 1952. Since that time beginning of the year and now account for 32 per cent. of its profit record has lacked any cherry prices will have to go total turnover and in terms of major growth until last year up. At 185p the yield is 3.8 per profitability the division is one of when both sales and dividends cent. and the p/e multiple 15.2 of the fastest growing sectors months to a record of over 23m. The shares are a useful lock-up of the group. At 110p LRC 10p shares yield 3.6 per cent. and difficult overall climate for the investment. In the first months LRC International, best known sell on a p/e multiple of 17.7.

**WHAT THE BROKERS SAY**

NOTWITHSTANDING a jump in price this year from a low of 49p to 138p or thereabouts, Moy, Davies, Smith, Vandervell argue that TRAVIS AND ARNOLD is still an attractive investment situation. Around 65-70 per cent. of group turnover goes to the building trade and a substantial part of this is timber. It concentrates on supplying the small private householder rather than the large contractors; this gives better control of profit margins. Also the acquisition of Page Calnan has big potentialities in extending the product range handled by its sales force and improving turnover and profits.

For a stake in the U.K. entertainment industry Chapman and Rowe recommend the HEMDALE GROUP. Acquisition of Constellation Investments has increased the asset backing for the shares, while the extension from predominantly artist employment into entertainment on a wider scale, that takes in film distribution, should "introduce a higher degree of stability to income." Prospective p/es are only 8.1 for this year and 8.1 for next.

**SWITCH FROM SHELL**

Quickly off the mark with an assessment for SHELL TRANS-PORT AND TRADING following this week's results, Sterling and Co. is recommending clients who are shareholders in Shell to switch to BP or Burmah. The medium-term outlook for Shell is, in the brokers view, not very encouraging. Western Europe and Japan are both markets in which demand for oil products is well below last year. This reflects not only the milder weather in Europe this autumn but also the "relatively slow rate of economic growth in both Europe and Asia. The big question for any investor in oil at this stage is the extent to which these conditions will affect BP and whether the company can now live up to its forecast of a little-changed second half. Stirling is favourably impressed with DUNLOP. The broker anticipates that recovery in Pirelli is likely to be delayed until mid-1973 and this makes the changed merger terms for Dunlop important as its 49 per cent. share in Pirelli will be in Preferred shares that do not have to participate in the losses.

**READY-MIXED CONCRETE**

Introducing its study of RMC, stockbroker Strauss, Turnbull anticipates 1971 profits for the group at "about 50 per cent. above those for last year." And three main reasons are given for expecting the dramatic increase this year to be maintained. First, the company's 40 per cent. share of the ready-mixed concrete market is seeing a lot of benefit from the upturn in construction. Second, group overseas interests are both highly profitable and expanding rapidly and, third, there are substantial profits from the sale or development of depleted properties. Many of these are close to London or other urban centres.

	SIZE	1971	1970	1969	1968	1967
Capital	(£m)	-26.8	-5.7	-15.2	-41.5	-36.5
Exempt		37.3	25.4	25.4	25.4	25.4
Financial		13.7	-39.2	-0.3	-16.1	-44.1
General		32.0	-33.8	-3.0	-16.7	-45.3
Growth Acc.		6.3	-30.4	-	-	-
Income		20.0	-41.7	-0.9	-18.4	-44.0
Progressive		0.7	-45.5	-8.4	-	-
Recovery		1.6	-10.4	-	-	-
Trustee		4.7	-36.8	-1.3	-15.4	-41.9
500		14.0	-45.7	-2.0	-13.9	-42.9
Performance		-28.8	-5.4	-13.9	-38.2	-30.9
varies All-Share		-33.3	-3.7	-14.5	-46.6	-31.8

are across the counter. In the bear market, when the other useful source of leaders, in his view, bore the brunt of the selling.

**More praiseworthy**

Unicorn Income has also had its fair share of success and the size of the trust makes the achievement all the more praiseworthy. But it is only fair to point out that numerous income funds have come to the fore in recent times, with plenty of formerly high-yielding stocks providing the best capital growth this year in the market's recovery. Far Eastern traders and plantation shares, for example, have all come in for a re-rating.

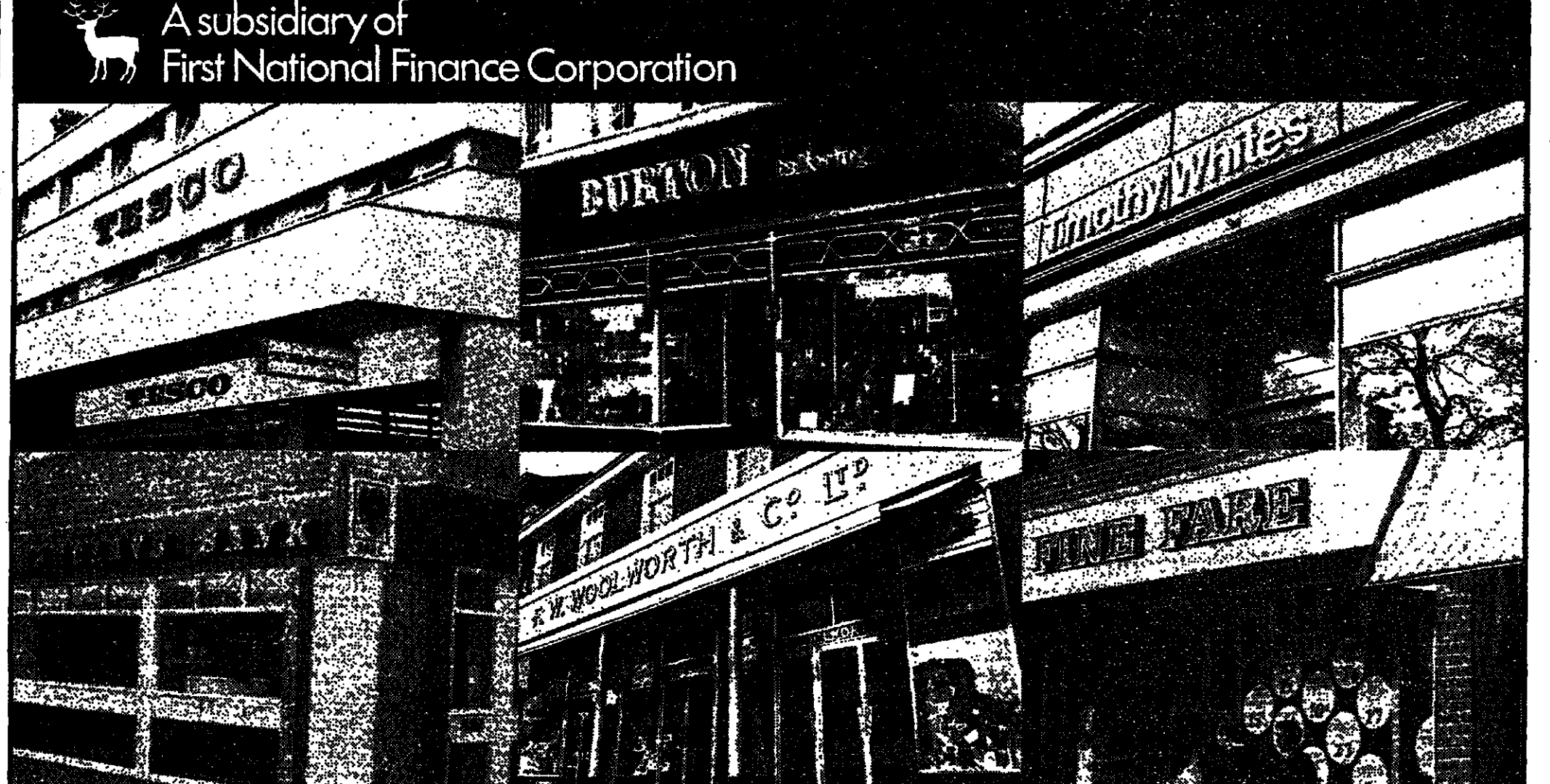
The overriding impression of all the portfolios is that they are sound and well balanced. Second line engineering stocks are well represented, as are Far Eastern traders, life assurance companies and construction groups. Two stocks that stand out as favourites are Hawker Siddeley and British Insulated Callender's Cables - up 125 per cent. and 43 per cent. respectively on their lows for 1971. There is also a fair content of financial stocks, including properties and insurance brokers in particular.

As a generalisation, there is very little international flavour in the portfolios and, apart from the Capital Fund which contains a few North American shares (IBM being one), there is almost a complete absence of overseas stocks. Apparently, the Financial Fund at one time had some U.S. content but this has now been disposed of. It is fair to say that Hilling sees the opportunities in the U.K., and the thought of entering a strange market with inadequate knowledge does not appeal to him. However, the group does appreciate there is some potential in Europe, and the team has been brushing up on its expertise in this area.

**Best opportunities**

Hilling is confident that the U.K. offers the best opportunities for the time being, and is certain that 1972 will see the market higher. The most favoured sectors are properties, construction groups and the clearing banks. The obvious proviso, he makes is that Wall Street must be firm enough to support the U.K. trend.

Aside from the unit trust operations, Barclays Griffin now operates a direct sales force numbering 177 - all selling either regular premium or single premium unit-linked policies. Further contracts are in the pipeline and with the formation of Barclaytrust Property Management in September this year one could easily add two and two together and come up with a property bond. Indeed, it was only two years ago that Barclays was on the brink of launching a property-linked contract, but it Hilling, the new investment chief who was drafted over last month.



## How would you like to be their landlord?

**It's not an idle question.**

If you buy Westminster Property Bonds you have a direct stake in over 200 commercial and industrial properties throughout England and Wales.

Sixty per cent. of them are in London and the Home Counties and many of the tenants are household names. Just like the ones you see above.

You benefit from both the sustained growth in capital values of these properties and the accumulating rental income.

And you also benefit from very real tax advantages and life assurance cover.

**42% growth in 42 months**

Over the past few years many forms of investment have fluctuated wildly, but property values have continued to climb steadily.

Westminster Property Bonds have shown a remarkable growth of 42% in 42 months.

**How do you choose?**

Property bonds have never gone down in value, but they haven't all gone up at the same rate. What makes one better than another? Which is the best long-term investment? We think you should look at two factors.

First, past performance. In this respect no-one can touch us. The City of Westminster Assurance Group introduced property bonds, so there's no-one with a longer track record.

The Financial Times on October 9th described the Group as having "more of a record to boast about than anyone else".

The second factor you should look at is management.

**Our Management**

We're owned by First National Finance Corporation, a British Company with group assets of over £140 million. Our Property Unit Funds total over £13 million and First National Finance Corporation has substantial property interests in its own right. Its property and financial management expertise is acknowledged to be outstanding.

The City of Westminster Assurance Group also has its own experts to determine which properties should be selected for the fund.

Once a property has been chosen it is managed and valued independently. The

**How your investment grows**

The following table shows the increase of value which might be expected on alternative assumptions which the Company considers reasonable and realistic.

Cost of bond	Value after	5 yrs.	10 yrs.	15 yrs.	20 yrs.	25 yrs.	30 yrs.
£45	A	£58	£70	£81	£91	£107	£124
£45	B	£70	£118	£192	£217	£324	£386

**Westminster Property Bonds.**

**Sustained capital growth and appreciating rental income.**

The cost of each property bond is £45 (if you are over 65 the cost is £48). 95% of your investment secures Units at the current price, and a minimum sum of £50 per Bond is guaranteed at death. You can buy any number of Bonds and hold them as long as you like. Children too, can hold Bonds in their own names.

The net growth of the Unit value since the Fund started, has been 10.5% per annum (equivalent to 17.1% gross). Annual reports giving details of all properties are sent to Bondholders.

Applications must be received by November 30th 1971 to benefit from the current Unit price of 37.5p.

The City of Westminster Assurance Co. Ltd.,  
40 Horseferry Road, Westminster, London SW1P 2AQ.

Your remittance must be enclosed with the Application Form.

I hereby apply for \_\_\_\_\_ Property Bonds at a cost of £45 each (£48 if aged over 65).

I enclose remittance of £ \_\_\_\_\_

(payable to City of Westminster Assurance Co. Ltd.)

Optional 6% Income Tax-free Plan (tick here, if required) ☐

**COST OF BONDS—REMEMBER ANY NUMBER CAN BE BOUGHT**

No. of Bonds	1	2	3	10	20	50	100	200
Aged 65 or under	£45	£90	£135	£450	£900	£2,250	£4,500	£9,000
Over 65	£48	£96	£144	£480	£960	£2,400	£4,800	£9,600

**BLOCK CAPITALS, PLEASE**

**FULL NAMES (Mr/Mrs/Miss)** \_\_\_\_\_

**ADDRESS** \_\_\_\_\_

**DATE OF BIRTH** \_\_\_\_\_

I declare that I am at present in good health. (If you are not in good health, the Life Assurance element of the Bonds may be restricted).

**DATE** \_\_\_\_\_ **SIGNED** \_\_\_\_\_

Applications in the name of children under 16 must be signed by a parent or guardian. Applications will not be acknowledged, but documents will be forwarded within 21 days.

Please send details of: Property Unit Linked Annuities ☐ Self-employed Pensions ☐

**A\* These examples assume that the value of the properties will remain constant and that the net rental income will be 6% per annum. B\* These examples assume in addition to the rental income, that the properties will increase in value at the rate of 4% per annum net.**

**Cashing in your bonds**

Withdrawal facilities are normally immediate and you can draw out part or all of your holding on request, receiving the full "exit" value of your Units. The value of the units is protected by the provision of a stand-by credit facility from First National Finance Corporation, coupled with our ability to defer payment for up to six months if in our opinion such action is required in the interests of the Bondholders.

**Your Tax Situation**

An investment in the Group's Property Bonds frees you from all Income Tax and Capital Gains Tax worries. Your only possible liability, if your income comes into the Surtax bracket at the time of encashment, is for Surtax itself.

It is well worth noting that Property Unit Funds pay Tax at a much lower rate than Property Companies—37.50% in fact, as against 50.25%, the latter consisting of Corporation Tax plus standard rate Income Tax.

In addition, Property Companies pay tax on Capital Gains at 40% whereas a Property Fund pays 30%. So you can see that there are very real tax advantages, not only while you're holding the Bonds, but when you cash them too.

**Regular Income**

We have an optional 6% Income Plan, free of Income Tax. Holders of 5 or more Bonds can adopt this Plan from the outset or at any future date.

In June each year a number of Units, equal to 6% of your original investment are cashed. This is equivalent to £9.8% gross. Although the number of Units held will decrease each year, the anticipated rise in the value of the remaining Units should at least maintain the value of your original investment.

**The City of Westminster Assurance Group**



## Finance and the family

# Loan for road improvement

BY OUR LEGAL STAFF

I may be faced with a heavy charge for making up the road running along my frontage. If I obtain a loan to defray the cost, can I obtain tax relief on this?

If you obtain a loan to pay for road improvements the interest on the loan will be deductible for tax purposes under the provisions of Section 57 (3) Income and Corporation Taxes Act 1970. This does not include works of maintenance or repair to the road running along your frontage.

### Reversion of a house

My father left the reversion of his house to my brother and myself with a life interest to my mother, a bank being the sole executor. (a) Can the house come to us to dispose of as we please, or must it be sold by the bank on my mother's death, as they give us to understand? (b) If the latter, must the sale be through their chosen agent, as they state, or can we nominate a buyer?

(a) Certainly. The bank should be instructed to vest the house in the two of you as joint legal tenants upon trust for yourselves in equal shares. Provided only that there is sufficient outside cash to meet any liabilities consequent upon the death, there is no reason why the house should be sold. Take a strong line with the bank, who are pulling a fast one here.

(b) This does not in the circumstances arise. If it did, the answer would be that if the bank is properly exercising a power, you cannot control the way that power is exercised. It would have to be left to the bank.

### Boundaries of a house

The deeds of my house specify that the boundaries shall be wooden fences and they shall be party fences. On one side is a brick wall erected by the first owner of the adjacent house. Am I in any way responsible for its upkeep? On the other side the fence has been damaged by my neighbour's children and their

father refuses to repair it or pay more than 50 per cent. of the cost of doing so. What remedies have I?

(a) No; on at least two counts. First, you are clearly under no contractual obligation whatsoever to the owner of the adjacent house, and, secondly, in any event your title deeds say nothing about a wall as distinct from a fence.

(b) We would think you have none. Broadly speaking, a person cannot be compelled to fence, or to mend a fence, unless he has contracted with you to do so. It is reasonably apparent from the sequence of events here that this neighbour has not contracted with you, nor has the benefit of any contract by him with somebody else to fence been assigned to you.

### Legacy to unknown person

A legacy has been left to a person completely unknown to the executors of a will and they have no notion as to where he can be found. What is the legal position?

It is clearly the duty of the executors to try to trace the beneficiary, by suitable advertisements in all the likely papers. If there is then no trace of such beneficiary then the question arises whether it might be possible to obtain from the Court an order to distribute the estate on the footing that the named person did not survive.

## Payments to orphans abroad

My husband and I wish to assist the orphaned children of a sister in Canada who are being brought up by another sister there. I understand we shall require permission of the Bank of England to send money. Is this likely to be easily granted? Can any tax relief be claimed on the payments? Would a covenant help?

You will require exchange control permission to make gifts in support of the orphaned children. But generally there will be no difficulty if the gifts do not exceed £300 per year for each person making the gift.

the testator, or whether the only possible course available would be to pay the amount of the legacy into Court. This will depend upon all the evidence available when the application would fall to be made.

### Liability on a lease

Can you tell me to what extent the estate of a deceased person, or his widow, are liable for the remainder of a seven-year lease of a shop? If the widow is liable, is there anything she can do to mitigate the cost?

The widow would not be liable personally for the rent due under the lease, but the landlord could recover this from the estate as it arose, in priority to any claim of the beneficiaries under the will or intestacy. In the circumstances the best course for the widow to take would be to negotiate a surrender of the lease with the landlords. Otherwise she may find herself with a complete white elephant on her hands for the full seven years.

### Designation as non-resident

I am proposing to go and live in the Channel Islands. How soon can I be designated as non-resident in the U.K. for tax purposes? What should I do about the

sale of equities for capital gains tax purposes?

If you go abroad to take up permanent residence you will be designated non-resident by the Inland Revenue from the day you leave. You will also be provisionally designated non-ordinarily resident.

In these circumstances you could arrange to sell equities and you would not be liable to any capital gains tax, unless you were finally designated ordinarily resident in the U.K. at the time when you disposed of your shares. For example if you return to the U.K. without having completed three full tax years as a non-resident.

### Reciprocal easements

My neighbour and I are considering combining the side entrances of our houses in order to build garages in our back gardens. Could you tell me what sort of legal agreement is necessary to cover right of access for us or future owners of our property?

The kind of legal agreement which you require is the grant of reciprocal easements each to the other over that portion of his drive over which the other is to have a right of way for his car, conditional upon that other contributing one half of the cost of repairs.

If, as you probably wish, the agreement is intended to be perpetual, you must each grant

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to the other an actual easement, and this should be effected by deed: if the property is registered at H.M. Land Registry, then this must be done in the Land Registry form and the appropriate entries made on the register in respect of both titles. If you do not wish it to last for ever, but until one or other of you wishes to bring it to an end, it would be satisfactory to effect this merely by means of an agreement.

In either event, we consider it would be money well spent to have it drawn up by a solicitor: it is not an easy job to do for one's self.

### Rent charge redemptions

In your first reply on October 23 you indicated that a rent charge could be redeemed. Could you explain just what type of rent is involved? What are the likely legal fees?

Rent charges can be redeemed, but not rent payable as between landlord and tenant, although you can generally produce the same kind of result in a ground rent situation by purchasing the freehold under the Leasehold Reform Act, 1967.

The question therefore is whether you own the freehold—and are thus subject to a rent charge—or the leasehold, in which case you are subject to a rent service and no redemption as such is possible.

While we cannot quote any figure which is likely to be reliable, the fees in the case of a redemption of the rent should not be very great. In the case of an acquisition of the freehold under the 1967 Act the order of costs is very much greater.

### Pension after separation

When a husband goes to live abroad after separation from his wife, will her possible future widow's pension be endangered?

The widow's pension under the U.K. social security scheme will be endangered unless she makes contributions to obtain a pension in her own right, since her husband's contributions to the U.K. national insurance scheme will presumably be discontinued on her behalf.

## Insurance

# Health policies for the elderly

BY JOHN PHILIP

FOR THE majority of us among the inevitable features of increasing age is an increasing susceptibility to illness. The longer he takes to recover and often the recovery is incomplete in that it leaves the victim prone to a recurrence of the same disability or to some other related complaint. This consequence of the passage of years makes it that much more difficult (and sometimes impossible) for the older citizen to obtain the various kinds of health insurance that are freely sold to his younger healthier relatives.

### Age limits

Particularly in this so in the field of holiday and travel insurance. For even if insurers impose no age limits in such policies—and most of them do—they protect themselves against claims for the less healthy citizen. Some insurers provide cover subject to the exclusion of claims due to any pre-existing physical defect or infirmity while others sell cover subject to a warranty that all the persons to be insured are at the time that the policy is bought in good health and free from physical defect.

Though they vary from one policy to another the words used in travel policies all have the same purpose—to cut out claims from the less healthy. But some are more restrictive than others and I have noticed that some tour operators' insurance schemes for next season have as it were, belt and braces, both fitness warranty and a very extensive exclusion. This is of claims arising from a pre-existing physical defect medical condition including recurring illness or infirmity.

This particular scheme, underwritten by a company specialising in the provision of holiday travel cover, provides the customary range of insurance cover against cancellation and curtailment of the holiday, insurance against medical expenses incurred for treatment of injury and illness and benefit for death or disablement due to accident. From the travel brochures it seems that the company applies its fitness

warranty to all this cover but the exclusion specifically only covers the cancellation and medical expenses section. There is a legal difference—normally compliance with a warranty is fundamental so that its breach completely avoids the whole insurance; by contrast an exclusion applies only to the particular claim.

As I have said, insurers' wordings differ and there may be loopholes in some companies' contracts as compared with the rest. Nevertheless, I could hold out no hope for one 63-year-old inquirer who approached me this week. He seemed to have had rather more than his share of ill-health—a slipped disc for many years, a coronary thrombosis 3½ years ago and dermatitis in the last 12 months. Now contemplating a winter holiday, he posed these three questions:

### Disclosure

First, should he disclose to the tour operators' insurers full details of these physical defects and try to negotiate full cancellation of medical expenses cover for an increased premium? If not, secondly, should he try for such cover with another insurer while availing himself with other parts of a tour operators' package? Or, thirdly, should he try to arrange all his travel cover entirely independently?

I had to explain that these were illusory alternatives and that I doubted his chances with his record of finding any insurer to provide cover at any price, even for cancellation or medical expenses completely unrelated to his various afflictions. This, he was quick to explain, was far less than he required. What he was looking for was insurance against loss due precisely to his known pre-existing infirmities.

Changing direction he asked whether he would stand any better chance if he tried to buy an annual policy covering a number of trips abroad. I had to explain that here also the same medical underwriting reuses to refuse to admit to such reasoning would apply and with greater force in that insurers' risk period would be longer, that the insurers have in

An unfortunate, perhaps extreme case. But how can a claim to be in such a state of health that the insured is satisfied the warranty is satisfied the fitness warranty? For example, as an sufferer from hay-fever I scarcely claim that I am from any recurring illness "firmly" and though hay-fever scarcely likely to cause me have an accident, to cancel holiday, or to buy medical vices abroad, it seems to me in legal insurance theory, sign a warranty that I am so or buy a policy subject to a warranty, the insurers are entitled to deny me all cover ever on the grounds of breach of warranty.

However, in practice it is that insurers will not a their warranty strictly people such as myself. It may be that in the even any dispute the courts will strive such warranty not as to the root of insurance rather as an exclusion only applied to the facts of the particular claim, taking into account the claimant's past medical record and having regard to the question—does the sent claim arise directly or indirectly from some pre-existing condition?

### Medical evidence

If this is so then the aim of course, turns entirely or medical evidence that claimant and insurers obtain. In submitting his claim the claimant must supply insurers, at his own expense, medical certificates and relevant documents from own doctor, from hospitals or so on.

If there is still any dispute, the insurers, by policy conditions, are entitled have the claimant examine their own medical adviser. Compliance with such a request is made a condition precedent to the claimant's admission to such examination. I cannot say how often he is heard to complain that the insurers have in turn refused to pay his

## TAXATION AND THE INVESTOR

# Private investment companies

BY JOHN CHOWN, TAXATION CORRESPONDENT

IN SPITE of the much publicised disadvantages, there are still in existence a number of private (unquoted) family investment companies. Although these now usually have more disadvantages than advantages, it is sometimes not worth the once for all cost of winding them up.

Until 1965 it was quite common to set up private companies to hold quoted investments and property. These then had certain, often not very dramatic, tax advantages. One was, and indeed still is, that some part of the dividend income could be taken out as directors' fees, turning what would have been unearned income, and perhaps generating some wife's earned income where this relief is not otherwise absorbed.

There were very strict limits on how far this process could be pushed as it is difficult to argue that the duties of managing a portfolio are very extensive.

Private investment companies could facilitate tax planning within a family. It is easier private investment company or more convenient to transfer property company almost income of the shares in the investment company to a member of the family than to transfer a proportion of the underlying portfolio. There was also some small advantage where management expenses could be claimed.

Short-term capital gains taxes introduced in 1965 has made the position of the private investment company or more convenient to transfer property company almost income of the shares in the investment company to a member of the family than to transfer a proportion of the underlying portfolio. There was also some small advantage where management expenses could be claimed.

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the surtax payers. The latter would be left with a correspondingly greater share of any capital appreciation.

From a practical point of view the family investment company was, and perhaps still is, a convenient vehicle for management. Often one member of a family may be interested in, and good at, investment.

If the fund were divided up into separate portfolios, he might be faced with the task of explaining each decision to each member of the family and perhaps obtaining their consents and signatures. There would be the embarrassing need to ask each of them to reimburse him for their due proportion of any incidental expenses. It is true that all these advantages could be claimed by each member of the family paying his shares and other assets into a bank nominee and giving the active brother complete discretion and a power of attorney. This concept is somehow more difficult to sell than the idea of a collective company.

Unfortunately, the capital gains tax introduced in 1965 has made the position of the private investment company or more convenient to transfer property company almost income of the shares in the investment company to a member of the family than to transfer a proportion of the underlying portfolio. There was also some small advantage where management expenses could be claimed.

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pany or by an individual. Long-term gains are not so well treated. A capital gain realised by a company is subject to corporation tax in exactly the same way as any other income. The chargeable gain so taxable is computed in the same way as an individual taxable gain, that is the 1965 Budget Day value can be used as a basis. The gain so computed is taxed not at the personal maximum capital gains tax rate of 30 per cent, but at the corporation tax rate of 40 per cent. The only advantage is that chargeable gains do not have to be distributed to the shareholder.

As is well known, a close company must distribute the whole of its investment income and may be required to distribute up to 80 per cent of its estate or trading income to its shareholders or also be deemed to have made such distribution and taxed accordingly. The whole of any chargeable gain after corporation tax, can however be retained.

### Exempted

Unfortunately this is not the end of the story. As a result of these retentions the value of the shares in the private company will appreciate. Thus a £1,000 of original gains will be worth £600 after corporation tax. When the shares in the investment company are sold, transferred or otherwise deemed to be realised, this appreciation will be caught for a further 30 per cent, or £180, a total tax penalty of £580 instead of £300.

Publicly quoted investment trusts and unit trusts which come within the definition of Section 37, Finance Act, 1965, are specifically exempted from this penalty. Their gains are subject to tax at the personal rate of 30 per cent and the shareholder in effect obtains a credit for gains tax paid by the company when he ultimately realises a gain on the shares.

Until last year, investment companies had the advantage that short-term gains were treated in the same way as long-term gains. The double penalty totalling 58 per cent, eventually could well be less than personal income-tax and surtax and the second part of the charge could be postponed more or less indefinitely. This distinction has now disappeared. The exemption of gains deemed to be realised on death may alter

the arithmetic one way or the other.


Investment companies can claim a tax deduction on borrowed money, unlike a private individual. This may be a useful facility where there are opportunities for gearing up investments. On the other hand, the scope for transmuting highly taxed income into capital gains is severely limited by the higher effective rate of capital gains tax. This may not matter so much when the second stage tax is likely to be avoided by retirement abroad before winding up or holding until death.

Investment holding companies both at home and abroad have their place in tax planning. As a general rule they create more problems than they solve and should be avoided. Certainly anyone who starts by trying to find a way of using a company to solve his investment holding problem is going to be disappointed. However, it sometimes happens that by approaching the problem from another end it becomes apparent that a more subtle tax plan can be facilitated by the suitable use of a company.

With existing private companies there is little that can be done on already accrued gains. One way out may be to sell out for shares to a quoted investment trust. In other cases, it may be possible to repay loan accounts and retain the lump for a few short-term transactions or convert it into a dealing company or property company.

Gains realised by an investment company (not a share-dealing company) on British Government securities held for over 12 months are now exempt from corporation tax but the increase in value of the shares in the company itself may be caught on the usual rules. Such gains realised directly by an individual are completely exempt.

The "family portfolio" problem may be solved by having a family trust or nominee company which has shares bought and sold in its own name but which holds say 20 per cent of the portfolio as a bare trustee for one particular individual. Such a company does not exist from a tax point of view. The active member of the family can run a collective portfolio as if it were an investment company—but the accountant can then prepare separate trust accounts at the year end.



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## Travel

## Oporto and the Douro Valley

BY HAROLD CHAMPION

IT IS WITH some apprehension of hurt rejoinders that I declare that this area of Portugal is one in which wine-bibbers and gluttons can rejoice, so large are the portions of food and so abundant and cheap the ordinary wine.

But I hasten to add that it is also one for connoisseurs, as a group of International Wine and Food Society members (in this instance Americans) and a leading British gourmet emphasised to me when I met them at Oporto's Hotel Infante de Sagres—a place, by the way, I strongly recommend.

My travelling companion and I started off with a really excellent dinner: an aperitif of white port served chilled, soup, turbot which tasted as if it had been caught that very day (it probably was), beef and a gâteau, the whole served in sophisticated and not gluttonous measure.

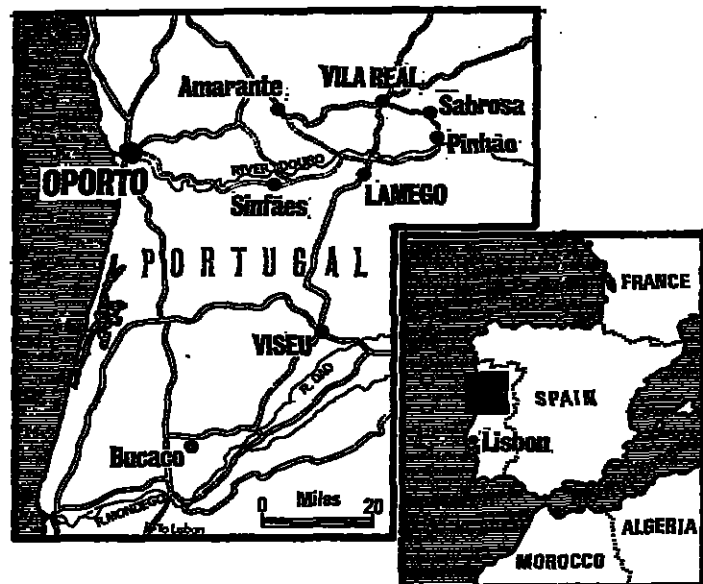
The wine was Branco Branco Garrafeira. A good start to a fascinating week. Other excellent meals were to come in what at first sight seemed unlikely places. However, I hasten to add that food and drink were only one object of the exercise.

BEA flew me out to Oporto and back from Lisbon in a Trident 3 in which every seat was occupied. On the homeward journey no complications arose at Lisbon Airport, as befits a capital city, but some blank looks greeted me when I sought a taxi at Oporto Airport to take me to the hotel. The point may not be of fundamental importance to the holiday, but it is perhaps worth noting that very few taxis are now kept at the airport: the thing is to ask your hotel in advance to arrange for you to be met. When at last I got a taxi it was driven by a most efficient woman who charged rather less than the equivalent of £1 (about 68 escudos=£1) and seemed delighted at my none too generous tip of the equivalent of 20p.

Let me frankly report that Oporto is not in many of its sections my favourite European city. Many slums affront the eye, beggars are on the streets and so are sadly deformed people. The Old City on the North Bank of the River Douro is depressing. But I discovered somewhat better-class sections, as for example near the Clerigos Tower, which made me realise that prosperity has not entirely deserted this part of



Dom Luis bridge over the Douro built in 1876-81 by Eiffel



the Iberian Peninsula, an impression that was confirmed by a 24-hour afternoon drive around the environs. I agreed the fare with my driver before setting off and he gave me good value for my 150 escudos.

Next day my self-drive Avis Morris 1300 turned up in good time and we headed for the magnificent Douro Valley, a region of steeply sloping wooded hills and vines. The weather was superb (it was mid-October) and the brilliant heather hedges were so profuse that any Scotsman's heart might well yearn for home. Our lunch was taken at Castelo de Pavia and for our aperitif we found an ancient wine cellar at the Café Bemestar where they drew wine

"galleries" and the harvesters were busy. Whether this kind of vineyard layout is unique I don't know, but I have never seen anything like it elsewhere. If you happen to arrive at the village of Sabrosa at lunchtime you will find an excellent four-course meal at the Café Academica at a cost of about 100 escudos for two people.

It was on this tour that I had my first experience of a "Pousada," a government-controlled inn. These establishments are found in the remotest districts, usually in beautiful spots, and this one was high up—some 3,000 feet—on the Serra do Marão, a lovely place between Vila Real and Amarante. The furnishings and decor of this delightful inn were a real glimpse of old Portugal.

We touched the Douro wine country at Viseu just outside of which village we discovered another type of inn, not government-owned but often enjoying some government investment, known as an Estalagem. This was a beauty spot indeed and rooms overlook the River Douro. Now we were heading for Lisbon, past Moimão do Sul, where Wellington set up his HQ, and the Bugaco Forest and ended the day at the Hotel dos Templários in a lovely setting (Son et Lumière on the battlements opposite). Our way next day was along what seemed to me a most perilous road with a precipitous, unguarded drop and with frightening views of a vast dam.

## Chocolate luxury

Really luxurious chocolates make semi-formal, formal, friendly, business or any other kind of present. But, if one is doing chocolates, do it well. Like they do it at The London Chocolate Centre.

Neither drawings nor photographs did justice to the luxury pack, so I have not used them. A long, narrow box is plushly covered with flock, a brushed, almost velvety pile, in deep crimson, pink or gold. On it is tied a floppy white bow of ribbon on which is gold-printed the name of the recipient (or the giver, if a company).

Handmade contents include some 100 proof liqueurs. For companies who order in a dozen or more quantities, there are three sizes of box. The Luxury, 23 inches long by 3 inches wide by an inch deep at £2.40 per box per dozen and descending for bigger orders. The De Luxe size is 18 inches long by 2½ inches wide and £1.65 per box. Then there's the banquet size (lovely by the ladies' plates) at 15 inches long by 1½ inches wide and very attractive, like an old fan package (99p each for the dozen).

For personal presents, Financial Times readers may order

the Luxury size only singly. The price is £2.80, plus 30p for postage and packing. Order before December 3 for Christmas.

Incidentally, Keith Prowse runs a rather chivalrous idea, put up by young David Hinds, who markets these chocolates. Customers buying tickets can have a box delivered to the theatre for the chosen performance. Imagine how impressive that is, to turn up and collect a box—with her name already on it—for the theatre guest, wife, girlfriend, daughter or whoever you take. A similar service exists in several London clubs and restaurants.

All your enquiries, price lists requests, etc., and the rest should go to Interchoc at The London Chocolate Centre, 19/21 Goswell Road, Barbican, London, E.C.1.

## And more chocolates

While on the subject of personalised chocolates, I recall Bentalls of Kingston's boxes. Wrapped chocolates, with letters stuck atop, are especially arranged to order to spell out names or messages like "I love you." A real surprise when the box is opened.

## Clothkits

Clothkits grows up. Last year, the Clothkits were for children only. This year adult sizes, up to 16 and 18, are in. Husbands, too, can have printed jenkins in their sizes. The range covers fur-fabric-lined jenkins, trousers, pinafore dresses, skirts and waistcoats in strong, British-made needlecord with exclusive, hand-blocked, silk-screen prints on most garments, designed by Anne Kennedy.

You get the whole kit, ready to cut out and make up, of fabric with the pattern etc. To mix and/or match, there are tights, ribbed jumpers and so on. A girl's pinafore dress works out at £1.30 for ages 1 to 3; at £2.55 for 8 to 10; and at £3.95 for age 14 to 16. Woolen party dresses with matching bags and hairbands are enchanting at from £1.75 to £2.45. Get the little catalogue from Lewes Design Workshops of 2, Mount Place, Lewes, Sussex.

## No animal furs

When Princess Beatrix made public her pledge never again to wear clothes or coats made of furs from animals which are in danger of extinction, the World Wildlife Fund got thinking.

Then they began acting. They got together with the

world's leading manufacturers for exciting alternatives to appeal to the most fashionable and sophisticated women—and their escorts.

Exotic fabrics, in exotic and wearable styles, have been collected under the heading of "The Copies and the Cats." From next Tuesday, the copied skins, and the clothes made from them, will be selling at Aqueamut in Regent Street.



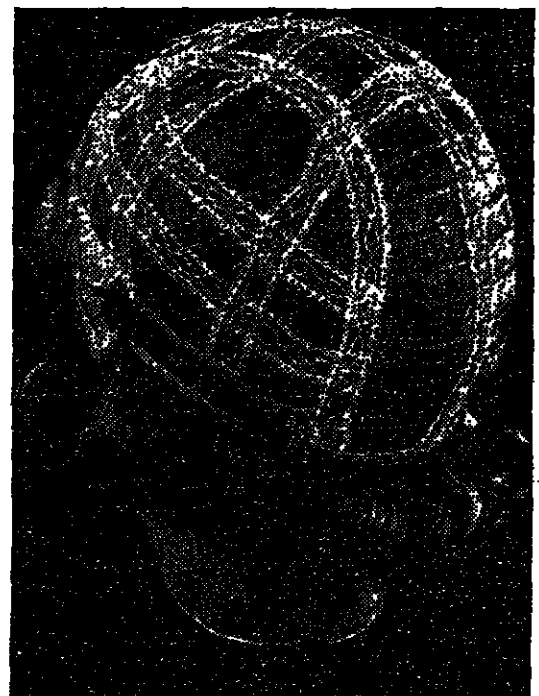
Wigs and hair pieces are such a joy to busy people, or swimming people, or people who have to look glamorous on those inevitable off-days. The only drawback is that they are so hot.

So welcome to "Flosters," an excellent innovation. Flosters are the best thing since stretch-base wigs. They are not made on lighter bases, nor by using less hair. Yet they do feel light and cool.

Flosters have no base—as the picture shows. Strips of lace hold the wig, which is

cooler than you would have as someone who tried one put it, crudely perhaps, but realistically: "You can see your head through the wig. Another advantage is that it can be brushed any way you like, flicked here and there change styles.

Prices are as for the fami Deltress wigs at £6.95 in shops. Department stores, specialist shops and all sort of stockists are getting the now. Get the information from Deltress of London, Portland House, Ryland N London, N.W.5.



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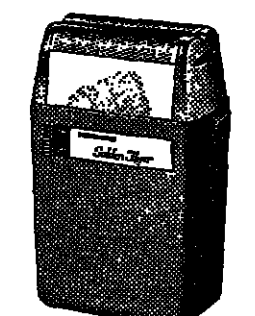
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# Get stoned this Christmas

# Sheila Black

At this time of year, men and women come into my office, open up ordinary, unimpressive, and re-treasures worth anything from £30,000 to £60,000 a case more. The office is a mine of temptation, a place of ohs, ahs, and what beautiful?

In talking about jewellery, I am not talking about the time when people spend, spend on the stuff. There are many good jewellers to-day that I am sure at anyone with the available being able to resist it, tend to be more modern in approach than women.

JOHN DONALD, whose side shop proves that there is a good site to run. He is modern, and expensive as some unexpected pieces. Ask ER BOLTON, of Sloane Street, I remember their small realisation then they welcomed men. Another associate jeweller—not just like the investment value either.

JART DEVLIN has been in the jewellery business for a long time, he has now time out from his in white, red or yellow gold, bunched together in tight huddles to make a bracelet.

Spread out for more delicate pieces. Hanging from the ears, and craftsmanship. Tiny like the dancing men of gold ring.

## Stuart Devlin



Sherlock Holmes stories, are the "components." Tiny men in white, red or yellow gold, bunched together in tight huddles to make a bracelet.

His jewellery, as modern as his tableware, has the same discipline. Devlin designs with experience, a slight mellowness, a gentle appreciation of his craft that is less rugged than it used to be in his more experimental years. Don't you love the sense of humour of the "Ball and Chain" necklace in this drawing, which gives a portion of the detail of men on a ball and chain in actual size?

Do not buy Devlin jewellery and other things without buying the silver-gilt Christmas tree on which to hang them. There is only one. It was made for an advertisement, and would have been a bright idea. Bright and expensive, for an expensive cigarette colour picture. The advertising people changed their minds and it is now for sale at the making price of £660. Spiky "flowers" of pine needles, in silver gilt, are interspersed with silver and golden, silver-gilt cups. Set velvet pads of different colours into the cups and pin jewellery to them. Give it, preferably loaded, as a holder for jewellery on some lucky person's dressing table.

Stuart's sense of humour is evident in the silver-gilt case made for the throwaway stick lighter. The worked silver looks like rich gold and would tempt any woman to buy a lipstick to slide inside it—the price is £15. Devlin makes a lot of pieces to individual order. GILLIAN PACKARD, whose work you have seen and probably loved at Cameo Corner, is now running her own place at Ramillies

House, 1, Ramillies Street, London W1V 1DP.

She is going all out on designing to suit her customers' tastes and personalities. Mark you, she carries a stock that is tempting as well. The rings here are so unusual. A large cabochon Aquamarine, palely and milkily blue, stands on a high, intricate, gallery of 18 carat gold (£160). The Kunzite is rectangular, a clear but rosy pink, rimmed with noddy sapphires (£490). The brooch has a craze of amethyst, palely translucent, falling from little wells of gold holding diamonds, zoisite, and amethyst crystals (£210).

NICK HARRIS buys unusual and old jewellery. He sells it again, too, but it is his skill in buying which is his first impression one gets of his collection. He loves early Georgian, Queen Anne, Renaissance, the right sort of Victorian jewellery.

He loves pieces which have been made by craftsmen who gave time as well as skill to their chosen tasks. Pieces with backs as intricately carved or worked in gold as the fronts. But mostly he loves cameos—indeed, he is never called anything in my office but "The Cameo Man."

He learned from his father who—after selling jewellery and gift shops in the City—spent time studying. Cameos, which have begun to appreciate very, very fast in value, are still the most undervalued beauties. You just don't know about them until you hear Nick Harris stories. Indeed, he tells a fascinating story with every piece.

He has a box of 12 tiny, tiny cameos, superbly carved, showing animals in pairs, as for the Ark—many being mythological. He has house cameos, for which he can design settings. He has necklaces, pendants, everything. Rings are from around £25 and upwards; well everything is roughly between £25 and £2,000.

In our photograph is a cameo of Milo the Cretan, by Cerbara (signed work is more valuable). Milo won a Marathon and ran in nonchalantly carrying a heifer over his shoulder to show how easy it

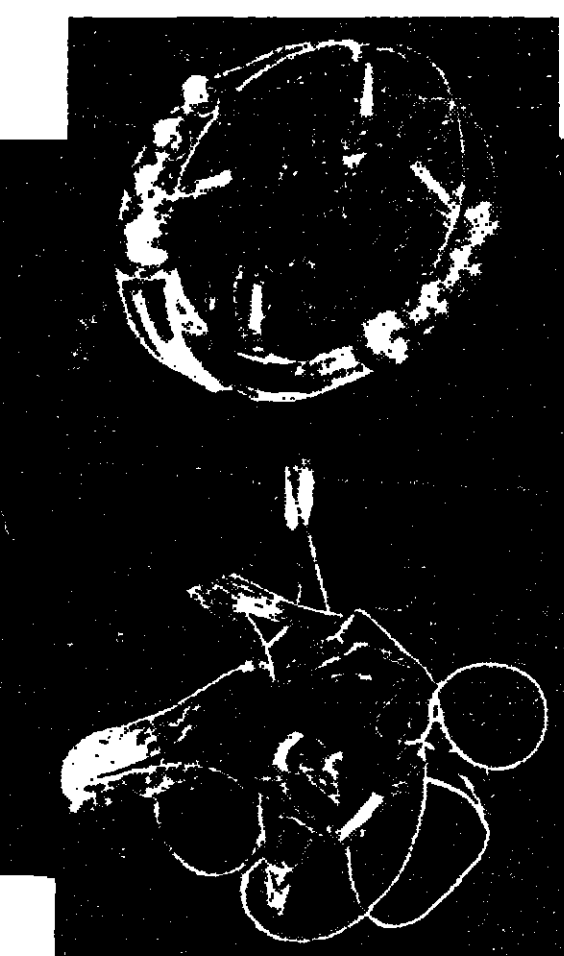
## Spiegelhalter



all was. He then ate the heifer to the disgust of all. Later, when his hand was caught in the fork of a tree, wild animals polished him off. The cameo has a springing lion on one side and the trapped Milo on the other, both sides carved on a single piece of agate.

The bracelet is marvellous. Heavy, square discs of gold, hand wrought in Etruscan style, are linked together. The centre is a classical woman's head, carved out of a gem moonstone of rare warmth and quality—and signed, too.

Nick Harris is at London's Portobello Road from about 5 a.m. to 5 p.m. on Saturdays, at Stand 82 in the Red Lion Arcade. You can see him, or be seen by him, by appointment, too. Phone him at 262-5304 for appointments but expect him to be out sometimes. No point in visiting him on the off-chance since the jewellery is kept in the bank and taken out for selling.



## Gem Creations



Photographs by Tony Nathan

JOHN STOKES is at the Pace Gallery, 31 St. Christopher's Place, off Wigmore Street, London, W.1. His swivelling pendants, falling long so that they can be toyed with, carry rock crystals and such. The end swivels because pendants, it seems, invite their wearers to twist them and play with them.

His rings are affine with ruby-tipped crystals, tourmaline and so on, at prices from about £40 to £50. Brooches are

between £650 and £700. Well, the real thing would be anything from £7,000 to £8,000. Some people have their favourite gems copied, lock the Bath; and at Perry Greaves, Diamondair, Cartier, which sold the now-famous Elizabeth Taylor 69.42 diamond, had a Diamondair copy made.

The Diamondairs are being set over here in Hatton Garden. For the present, settings are traditional, even conservative and old-fashioned, which pleases most of the people. The stones always done. Now Litton Industries, of California, gives us guarantees against loss of colour the Cultured Diamond, Diamond or brilliance, against scratching air, copies a diamond faithfully. It has remarkable clarity and wear. See them at Harrods, Sel-purity, plus the ice-hard sparkle fridges, Marshall and Snelgrove, of the real thing. Indeed, it Bentalls of Kingston, Rackhams looks like a diamond apart from of Birmingham, Kendal Milne that indefinable nuance of depth of Manchester, Hendersons of and colour. It is a brilliant achievement.

If you have one made, it a small leaflet, from Bertram costs roughly £50 per carat Collings of 1/2 Farnover Street, and becomes relatively cheaper London, W.1, and her brilliant as it gets bigger—for example, technology this Christmas.

a 12-carat stone would be between £650 and £700. Well, the real thing would be anything from £7,000 to £8,000. Some people have their favourite gems copied, lock the Bath; and at Perry Greaves, Diamondair, Cartier, which sold the now-famous Elizabeth Taylor 69.42 diamond, had a Diamondair copy made.

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## Jack Harris

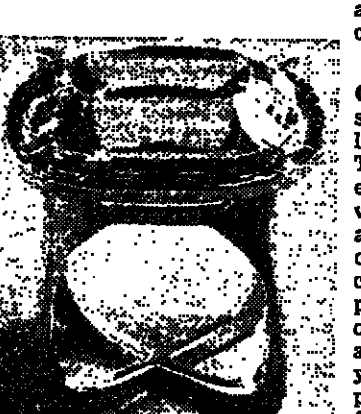


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around £20 to £30. He handles minerals superbly and does a good deal of work for the Mineral Gallery. Cuff-links are about £12 to £15. His work is a melange of the delicate and of strongly sculptural shapes.

SPIEGELHALTER GEM CREATIONS ought to find a simpler name. The jewellery lives down the name, however. This is really very, very modern, very arresting and mostly very large. I adored it. It is also not expensive. Made by a couple of cousins, the output is currently smallish—about 20 pieces a week. The accent is on one-off, individual pieces, although some cast pieces may yet be considered. The four pieces in this photograph are from £20 to £35.

They, like most jewellers to-day, are wizards with rock crystals, using square-cut tigers' eye, marble from Brazil; spiky tourmaline in many colours; rose quartz, sodalite, and the rest.

Prices are anything from about £12 to £120. The knuckle-duster ring and the three pendants in the photograph are typical of their more way-out pieces, but they do have some mildly classical, almost disciplined items, too. Their own shops are: 81, Mile End Road, London, E.1, and at 49, Perth

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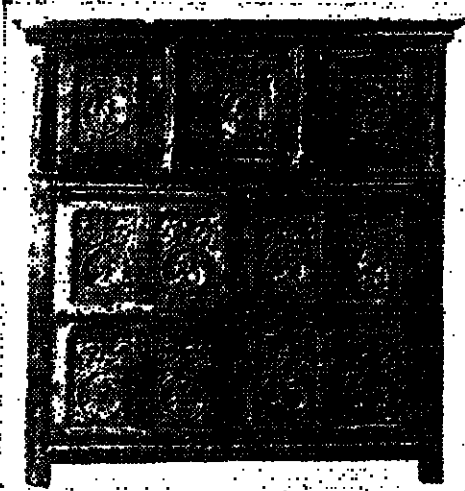
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Important English Renaissance oak cupboard, 67 1/2 in. wide, 62 1/2 in. high. To be sold on Thursday, November 18th.

This English Renaissance oak cupboard, dating from about 1540, and displaying the typical "Romayne head" carving of the period, is included in a sale devoted mainly to early furniture on November 18th. It was discovered in Kent around the turn of the century in a village near the remains of Otford Castle and was subsequently published in the history of English Furniture, by Percival MacQuoid, one of the first serious studies of English antique furniture. It is reputed to have come from Otford Castle, a residence of the Archbishops of Canterbury, which was rebuilt in the early sixteenth century by Archbishop Warham on a scale to rival Archbishop Bouchier's nearby palace of Knole. Thomas Cranmer Warham's successor, handed over the palace and estate to Henry VIII and in 1534 James I granted it to Sir Thomas Smith and thence by descent it passed to Sir Sydney Stafford Smythe, Lord Chief Baron of the Exchequer under George III. Of the enormous building only a few traces of the gatehouse and courtyard wall can now be seen. Sales devoted to early furniture, mainly oak, and including metalwork, brass and pewter, have proved increasingly popular in recent seasons, and now form a regular part of our sales programme.

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Telegrams: Christart, London, S.W.1.

## COLLECTING WISELY

# Kate Greenaway

BY DAVID ROBINSON

IT IS seventy years to-day since Kate Greenaway died; and the centenary this year of her first book illustrations, for *Diamonds and Tods*, in Frederick Warne's series of "Aunt Louisa's London Toy Books."

She was born at 1, Cavendish Street, Horton, on March 17, 1846, the daughter of a wood engraver and draughtsman who worked for the *Illustrated London News* and *Punch*. At 12 she was sent to art classes at Canonbury House, Islington, and later attended life classes at Heatherley's and the newly opened Slade School, under Professor Legros. She was diligent and enthusiastic, and earned a variety of diplomas and certificates and prizes. In 1868 she first exhibited her designs; and about the same time had drawings accepted for magazine illustrations, Christmas cards and Valentines.

The real turning point was her meeting with Edmund Evans, a colour printer who kept his machines busy by printing toybooks illustrated by Walter Crane and Randolph Caldecott. The first collaboration of Kate Greenaway and Evans was *Under the Window*, in which for the first time the artist illustrated her own verses—of which Austin Dobson shrewdly remarked: "She was very deficient in technique, but she had the root of the matter in her."

Technique or not, *Under the Window* firmly established the name and popularity of Kate Greenaway, went into innumerable editions and delighted the art critics of the day. Ruskin was sent quite giddy, rhapsodising in one of his lectures on *Art in England* on "a consummate example, a dance of fairies under a mushroom . . . also of two girls outside of a mushroom; and I don't know whether the elfins or girls are the fairy-toddest."

Kate's touching friendship and correspondence with Ruskin dated from some time before their first meeting in 1882 and continued till his death, long after he became incapable of replying to her affectionate weekly letters. Despite his enthusiasm, he was her severest critic, complaining about her terrible perspective, about her faulty figure drawing ("you should get to some watering

place in August . . . and draw no end of bare feet"); about the quaint wardrobes of her characters: "As we've got so far as taking off hats, I trust we may in time get to taking off just a little more—say, mittens—and then—perhaps even—shoes!—and (for fairies) even—stockings—And then—"

Happily for Kate's career, she did not heed this advice. In *Piper* and other legendary children's books which are now the expensive delights of collectors, prizes, her drawing and paint-



An early self-portrait

ing was often little better than the work of an inspired Victorian lady amateur. Her extraordinary success was due in equal part to Evans's brilliant translation of her sketches into that precise engraved line and exquisite colour blocking of the books, and to her good fortune in exactly striking a chord of sentiment and nostalgia in the Victorian public with the curious costumes, vague recollections of the styles of the early century, and the pretty, idealised children which she garbed them in.

Within her shortish lifetime, Kate Greenaway saw herself outmoded. Her books and drawings and Almanacs ceased to sell, and even the plagiarism that had so much bothered her stopped.

An astonishing hoard of Kate Greenaway's works and possessions has recently come to light,

from her earliest sketch-books, show the care that went into her work, the constant reworkings of a life subject before it was incorporated into one of her finished illustrations. There is her 1864 Bronze medal; and a drawing of 1900 for her last book, *The April Baby's Book of Tunes*.

The most extraordinary discovery, however, is the autograph manuscript of childhood reminiscences which she pencilled in a quarto notebook a little before her death. A frustrating *aide-memoire* lists the anecdotes that were still to be recorded when the work was laid aside. From the time that this enchanting document—running to 100 pages and decorated with explanatory sketches—was used by her biographers in 1905, its whereabouts remained unknown until this dramatic saleroom appearance.

## Saleroom

### Cabinets

sold for

£5,800

SOTHEBY'S sale of English furniture, textiles, and rugs and carpets, yesterday realised £50,428. A pair of George III Pinner and secretaire cabinets went to N. Adams for £5,800, who also bought a George III mahogany extending dining table for £1,700.

Sussex gave £5,300 for a George I carved and giltwood console table. Boyden £4,000 for a Henry VII oak bed and Quinney's £3,900 for a George I walnut bureau bookcase.

A. and F. Gordon paid £2,700 for a William and Mary burr-walnut bureau cabinet. A Cook £2,100 for a pair of George II giltwood wall mirrors, and D. Wrey £1,700 for a Queen Anne burr-walnut bureau cabinet.

Sotbeys's two-day sale of printed books totalled £38,550. A pair of George III Pinner and secretaire cabinets went to N. Adams for £5,800, who also bought a George III mahogany extending dining table for £1,700.

A sale of paintings by old masters at Christie's totalled £28,924. It was the second part of a two-day sale which totalled £48,311.

A portrait of a senator by Leandro Bassano was sold to Frolicell for 750 gns. A portrait of a young girl attributed to Cypri, sold to Phelps for 600 gns, and the same price was paid by Marti for capriccio view of classical ruins attributed to Pannini.

An 18th-century Italian school picture of Commedia dell'arte was bought by Jacobs for 550 gns, and Herner Wengras paid the same price for a portrait of two girls, attributed to Hoppner. Phillips's silver sale totalled £2,792. Davies paid £360 for a German teapot, 1804, 11 ozs, and Bloomstein £270 for a Victorian tea and coffee set, 69 1/2 ozs.

## SUNDAY THEATRES BILL SUPPORTED

Government backing will be given to a private bill introduced in the Lords by Lady Lee of Ashridge, which would allow theatres to open on Sundays. This was recommended by the departmental committee on the law on Sunday observance.

Lady Lee as Miss Jennie Lee, was Minister for the Arts in the Labour Government.

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Catalogues for sales to be held early in 1972 are now in course of preparation. Collectors desirous of selling should contact Glendining & Co. promptly.



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Deliveries of Tristar aircraft to Eastern Airlines and Trans World Airlines are scheduled to begin in 1981. On ground and flight testing, RB-211 engines have now run for a total of more than 9,500 hours.

Current development of the RB-211 by Rolls-Royce is aimed at proving its reliability for extended endurance running, and carrying out a series of tests to determine the engine's ability to operate at

met all its development cost targets and, in return, has already netted the highest financial and asset return of any similar program ever undertaken in Britain."

More than 200 BAC One-Elevens of all types have been ordered worldwide and are worth, with spares, over \$300m. Two-thirds are for export and will over the next 10 years worth 200m with spares.

the type certificate. A large part were for the U.S.



aggregate value of £24,000,000.

000

**could give you**

like these.

of any profit with loss of the regulated enterprise.

**Regular Valuations**

The Fund Managers, the Property Division of Hambros Bank, carry out a valuation of the Fund's properties once a month. These valuations are independently audited by Richard Ellis & Son, Chartered Surveyors. To make it simpler for new Bondholders.

property bond units will be of the accumulator type where income is automatically re-invested and expressed as an increase in the unit value.

October 1st will continue to receive their rental income in the form of additional units. Prices for both types of units are published daily in leading national newspapers.

To allow for life cover and management expenses Abbey Life charges 5%, plus a small rounding-off price adjustment, which is included in the offer price of the new accumulator units. After that, charges total only one-

half per cent a year. All expenses of managing, maintaining and valuing the properties, as well as the cost of buying and selling the Fund's investments, are met by the Fund itself.

**Cashing in Your Bonds**

You can cash in your Bonds at any time and receive the full bid value of the Units, calculated at the valuation following receipt of your request, subject only to any adjustment for General Charges and Special Charges.

Life Cover  
per £1,000  
invested

£2,814	for Capital Gains tax as described earlier.
£2,732	The Company maintains adequate liquid resources, similar to that of building societies, so
£2,652	in normal circumstances there should be no delay in cashing in.
	However, in exceptional circumstances

the Company retains the right to defer payment or implement the conversion option for up to six months, pending realisation of properties.

**Guarantee**  
Now, when you reach age 65, the cash-in value of your policy is guaranteed if you have held the policy for 20 years or more. The minimum cash-in value of your bond would then be the same as the life insurance

**Disclosure of Information**

As a Bondholder, you'll receive our Annual Report with full details of the entire Portfolio.

**Fill in and post the application form**

together with your cheque. Upon acceptance of your application, you will receive your bonds showing the number of accumulator units allocated to you.

Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains.







# The most significant new investment since Property Bonds

Because it—Guarantees your Capital.  
Secures your profits absolutely.

\* Gives you an annual income free of all taxation.

## How your capital is invested

The Slater Walker Life Fund. It comprises a wide spread of investments, including Property and Fixed Interest Securities, selected and managed by Slater Walker's investment experts, who will take full advantage of opportunities for growth, while at the same time paying due regard to the basic requirements of security sought by the majority of investors.

## How your investment is guaranteed against loss

Slater Walker Insurance guarantees that your original invested sum can never fall in value.

## How you participate in profits

To avoid your becoming confused by fluctuating values and technical terms such as bid and red prices, Slater Walker Insurance declares Annual Dividends, the value of which is added to your Bond. The Annual Dividend represents your Bond's share in the profits of the Life Fund and for simplicity, is expressed as a percentage of your investment. It is paid not only on the value of your original investment but also on the accumulated value of Dividends already declared. The level of Dividend reflects investment performance and the value of the Annual Dividends is permanently guaranteed and declared.

The Company will announce the rate of Dividend before the end of March each year, and shareholders receive a Notice showing the amount added to their Bond within one month of each policy anniversary.

## Dividends are free of tax

Dividends are free of tax and this means that equivalent gross return to a standard-rate taxpayer, on the following projected rates of Annual Dividend, would be as follows:-

Rate of Dividend	Equivalent Gross Return
4%	6.5%
6%	9.8%
8%	13.0%

a projection of 6% Annual Dividends (your dividends could be higher or lower) an investment of £1000 would grow to £1338 in five years, £1900 in ten years, £2521 in fifteen years and £3193 in twenty years.

## No additional charges

The cost of life cover and expenses are met out of the Life Fund, and are taken into account when the Dividend is declared. There is no initial charge and the whole of your investment qualifies for dividends.

## Guaranteed Life Cover

If you should die while the Bond is still in force, your dependants will receive the Guaranteed Life Cover according to the table below. Slater Walker's Guaranteed Life Cover is always greater than your Bond's accumulated value, and increases according to age at death. Example:-

Age at Death	Amount of cover as % of your Bond's value
30	350%
40	240%
50	140%
60	114%
70	104%
75 or over	101%

full table appears in the Bond Document.

First came the Equity Bond, then the Property Bond, after that the Guaranteed Interest Bond, followed by the combinations of the various Bonds. Now at last Slater Walker provides the answer that Investors have been seeking, offering this unique combination of features for a single investment of as little as £250:-

1. Investment Management by Slater Walker.
2. Absolute security for your capital, which can never fall in value.†
3. Annual Dividends which are added to your Bond each year and which can never be reduced in value or taken away.
4. The facility to cash-in your Bond with freedom from all charges at the end of five years.
5. The facility to take the Annual Dividends in cash each year free of income tax, capital gains tax and surtax.
6. Life assurance cover which is guaranteed and is always greater than the value of your investment.
7. Significant advantages to surtax payers.

## \* Enjoy an Annual Income free of all taxation

In accordance with current legislation and Revenue practice, Policyholders are entitled to withdraw the amount of any bonus additions to their Policies without incurring any liabilities for income tax or capital gains tax or for surtax (or its equivalent). As Dividends earned by a Guaranteed Security Bond qualify in this way you may enjoy a completely tax free income by withdrawing your Annual Dividends in cash each year.

There may, in certain circumstances, be a liability to surtax (or its equivalent) when the Bond is finally cashed-in or on death (see note on tax position).

## How your profits once added cannot be reduced in value

Once Annual Dividends have been declared they cannot be subsequently reduced in value or taken away. This means that you cannot lose the valuable gains you have built up in your Bond during good investment years if, at the time you choose to cash-in, investment values generally should be at a lower level.

## † Cashing the Bond

Your Bond is designed as a medium term investment and although it is wiser to leave it in force for five years you may cash it in at any time subject to the surrender charges listed below which are deducted from your original investment. Any dividends added are not reduced and are paid in full.

Complete Years in Force	Percentage Deduction from Original Investment
1	9
2	8
3	6
4	4

At the end of five years (on the fifth policy anniversary) you may cash in your Bond and receive the full accumulated value free of all surrender charges and deductions and free from capital gains tax and income tax.

You may keep your Bond in force for as long as you wish. On the 10th, 15th, 20th—and so on indefinitely—anniversaries of your original investment, you will receive a special Extra Dividend of 5% of the accumulated value of all accrued dividends.

On these anniversaries you may cash in your Bond with complete freedom from all surrender charges and deductions (you may, of course, cash-in your Bond between these anniversaries subject to a small surrender charge, details of which are contained in the Bond document).

## The tax position and advantages to Surtax payers

Under current legislation the proceeds of the Guaranteed Security Bonds are completely free of income tax and capital gains tax.

On cashing-in the Bond there may be a liability for surtax (or its equivalent) if at the time your total income, including a proportion of the profit on the Bond (calculated by reference to the number of years for which it has been held), brings you into the higher tax bracket.

If you have drawn any of your Annual Dividends in cash the total amount withdrawn would be taken into account in determining whether there is a liability for surtax on cashing-in or on death.

The advantage of this provision is that it enables Bond holders who are surtax payers to defer their liability into the future and enables them to choose the most advantageous point at which to cash their Bond, by which time a reduced income (by virtue of retirement, for instance) could mean that the surtax liability is significantly reduced or removed altogether.

## How to invest

Simply complete the application and send it with your cheque to Slater Walker Insurance. You will receive an acknowledgement, and subject to acceptance, your Bond will be sent to you when your application has been processed.

To: Slater Walker Insurance Company Limited

124 Queen Victoria Street, London EC4V 4BS Telephone: 01-236 4236

(A member of the Slater Walker Group whose gross assets exceed £180 million)

FT 120611

Full Name MR/MRS/MISS (BLOCK LETTERS, PLEASE)

Address

Occupation

Date of Birth

Amount Invested

(I enclose a cheque (minimum £250) for this amount payable to Slater Walker Insurance Company Limited.)

I wish to withdraw my Dividends in cash

leave my Dividends to accumulate

Please tick

Details of any consultation with any doctor within last five years. (Except minor ailments requiring single consultation only.)

Name and address of your usual doctor (Normally no medical evidence required)

Please state height

and weight

Signature of applicant

Date

DECLARATION: I wish to invest in the Slater Walker Guaranteed Security Bond and I declare that I am in good health and that the above statements are true and complete. I consent to the Company seeking information from any medical adviser who has attended me and seeking information from any other insurance company to which I have applied for Life Assurance and I authorise the disclosure of information to the Company. I agree that this declaration together with any signed statement made to the Company's medical adviser shall be the basis of the contract between me and Slater Walker Insurance Company Limited and I will accept the usual form of Policy issued by the Company for this class of Assurance.

# SLATER WALKER

## GUARANTEED SECURITY BOND















er Shadow Saloon; all  
 recorded mileage 7,000  
 £9,650  
 Coachbuilt  
 1969 (April) Silver Shadow 2-door  
 by H. J. Mulliner-Park Ward; Regal  
 Red with Black hide; air conditioning;  
 recorded mileage 16,000 £9,950  
 1965 (April) Silver Shadow 2-door  
 convertible by H. J. Mulliner-Park  
 Ward; all with Beige hide; air  
 conditioning; recorded mileage 28,000  
 £8,750

**Day Limited**  
 W.1. Tel: 01-629 7444  
 Sutton-Forshaw Group

J.B.M.C.







# Midland Aluminium's record profit

Minister at 37.3p

Midland Aluminium's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

AL dividend of 30p per 25p share. The company's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

Merchandise investment. The company's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

SLATER GUARANTEE BOND. The company's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

James L. The company's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

ND. The company's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

Recent issues. The company's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

Unit off. The company's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

PRUDENTIAL DISTRIBUTION. The company's profit for the first half of 1971 has risen to a record £14.2m, up from £12.8m in the same period last year. The company's earnings per share have risen to 37.3p, up from 34.5p in 1970.

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# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

A particularly lively week in the bids and deals sector was highlighted by the offer valued at about 83p per share for Doulton, the tableware and industrial pottery group, from S. Pearson and Son. If this bid is successful, an offer will be made to buy out the outstanding shares in Allied English Pottery, the Royal Crown Derby group, in which S. Pearson already has a two-thirds stake. Discussions are now taking place between the financial advisers of Doulton and S. Pearson, but in view of the failure of previous merger talks the market reaction was to push the Doulton share price above the value of the bid.

After his successful bid for Truman Hanbury Buxton, Mr. Maxwell Joseph, chairman of Grand Metropolitan Hotels, is back on the bidding industry scene with an approach to Associated British Midwaters through Gillis Investments, where he is also chairman; the approach could lead to an offer of 185p a share for A.B. Midwaters.

An agreed offer worth around £4.2m. has been made for Ennerby by Imperial Metal Industries, but Ash and Lay has rejected an offer of around £2.5m. from Expanded Metal. British Electric Traction announced revised terms for United Transport worth about 202p per share, compared with the original offer of 170p. Other offers included Hestair for Johnsons—HPL, Kallion Investments for Ellis (Kensington), Bexmore for British Trimmings and Land and House Property for Hales Properties.

Ashworth and Steward has received a tentative approach which could lead to an offer being made.

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## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings p/s	Dividends p/s
Amalg. Securities	June 30	328 (291)	13.8 (14.8)	18.5 (13.4)
A. Aronson	June 30	276 (201)	85.5 (58.0)	32 (—)
Bromley Eng.	June 30	110 (254)	14.2 (26.8)	15 (20)
Berkley Prop.	June 30	1,132 (1,052)	21.0 (19.2)	16 (15)
Brown Bond	June 30	6,811 (6,537)	20.7 (20.3)	10 (10.2)
Burgess Prods.	June 30	782 (900)	37.5 (40.2)	18 (18)
Crane's Serv.	June 30	94 (146)	24.6 (18.3)	10 (10)
Fairbairn Lawton	June 30	65 (315)	— (25.9)	— (10)
S. Flavel	June 30	417 (114)	25.8 (10.0)	20 (7.1)
G.H. Higgs	June 30	371 (770)	61.8 (79.6)	35 (30)
J. Hephworth	June 30	2,323 (2,079)	35.1 (25.5)	18 (15)
Kwik Save	June 30	1,028 (1,043)	70.4 (44.6)	35 (—)
N.M. Footwear	June 30	90 (85)	42.0 (22.0)	— (—)
R. Green	June 30	451 (400)	28.1 (21.7)	18 (18)
Liverpool Shoe	June 30	1,172 (1,361)	48.5 (39.5)	22.5 (20.45)
Marionale	June 30	237 (228)	9.2 (8.9)	32 (28)
Selward Ind.	June 30	428 (353)	53.2 (43.5)	32 (28)
J. Smart	June 30	5,431 (4,162)	21.9 (16.3)	12 (11)
Smiths Inds.	June 30	123 (85)	48.5 (33.1)	14 (—)
Tricoville	June 30	528 (443)	23.6 (20.0)	12 (11)
Unochrome	June 30	365 (228)	53.0 (43.7)	17 (11)
Wade Batteries	June 30	173 (102)	25.0 (17.0)	22 (10)
W. Ribbons	June 30	173 (102)	25.0 (17.0)	22 (10)

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends p/s
ACW	July 31	82 (77)	3 (2.1)
Alec (U.K.)	June 30	682 (381)	— (—)
Amalg. Distilled	June 30	26 (—)	3 (—)
Asbury & Madeley	June 30	3,332 (1,250)	104 (10)
Avery	June 30	158 (159)	31 (7.1)
Ayrshire Metal	June 30	35 (45)	8 (8)
J. Blum	June 30	575 (433)	23 (12.7)
Bradford Prop.	June 30	192 (178)	22 (21.87)
British Barnes	June 30	165 (604)	— (—)
British Printing	June 30	408 (145)	10 (—)
Carron	June 30	3,790 (1,241)	7 (5)
Chloride Elec.	June 30	322 (1,013)	158 (10)
Chryser U.K.	June 30	176 (154)	3 (3)
De La Rue	June 30	1,746 (1,293)	5 (5)
Estates & Genl.	June 30	175 (154)	3 (3)
Read Wrightson	June 30	428 (232)	4 (3.3)
S. G. Herbert	June 30	2,470 (2,253)	— (—)
ICFC	June 30	262 (237)	— (—)
W. Morrison	June 30	105 (105)	12 (12)
J. & W. Nichols	June 30	48 (302)	9 (7.5)
Novel	June 30	215 (193)	30 (30)
Wm. Pickers	June 30	1,113 (1,894)	7 (7)
Readers	June 30	1,051 (551)	10 (8)
Reed Intnl.	June 30	13,300 (10,300)	3 (3)
W. J. Reynolds	June 30	7 (451)	— (—)
R/Dutch Shell	June 30	761,109 (657,401)	— (—)
Rubber Regen.	June 30	107 (182)	3 (2)
Salv. Tins	June 30	170 (107)	— (—)
Sanderson Kayser	June 30	202 (380)	6 (6)
Scotts Inds.	June 30	146 (124)	10 (10)
Steel Bros.	June 30	244 (450)	7 (7)
Spink	June 30	113 (142)	10 (10)
Stone-Dri	June 30	29 (251)	5 (—)
Tobacco	June 30	142 (110)	8 (8.75)
Utd. Carriers	June 30	458 (222)	9 (7.5)
Whitson	June 30	546 (124)	21 (20)
Yorks. Chemicals	June 30	811 (319)	13 (8)

## Offers for sale, placings and introductions

Grand Metropolitan Hotels: Offer for sale of £2m. 84p per share. Unsecured Loan 1978-80 at 9.99 per cent. Highland Electronics Group: Requisition for 8.75m. Ordinary 30p shares. ITV: Introduction of 4.088m. non-voting Ordinary 25p shares. Mitchell Construction: Placing £1m. 84p per cent. Debenture Stock 1989-96 at 9.99 per cent.

## Monsanto Textiles setback

SERIOUS world over-capacity in man-made fibres stemming from the recession in textiles has led to a 45 per cent. drop in profits for Monsanto Textiles, the U.K. subsidiary of the U.S. Monsanto Company.

## Upsurge at Ingersoll Rand

FOR 1970, profits of £1,430,150 are reported by Ingersoll-Rand Company, compared with £313,663 in the previous year.

## Renong Tin reduces dividend

Renong Tin Dredging is reducing its dividend from 15p to 14p per 10p Ordinary with a final 10p (12p) for the year to June 30, 1971.

## Scottish Heritable advance

For the first half of 1971, the Scottish Heritable Trust reports a pre-tax profit of £61,449 against a 19.43c loss in the same period last year. In 1970, pre-tax profit was £131,388.

# The Merchant Investors Property Bond is backed by United Dominions Trust. Should your investment decisions be influenced by this?

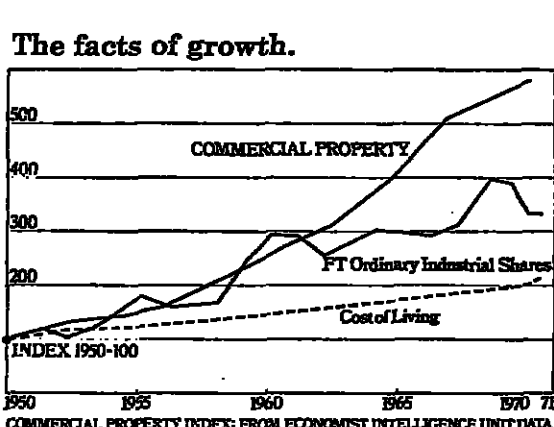
The Merchant Investors Property Bond was launched last year by Old Broad Street Securities—the merchant banking arm of United Dominions Trust. The entry by this £450 million Finance Group provoked a more-than-usual stir of interest from knowledgeable investment critics.

It was true, of course, that property bonds had already established for themselves an undeniable glamour, with their high quoted growth rates and the good performance of commercial property in the past.

But the entry of UDT into this arena indicated that the biggest Finance Group in Britain was determined to build a new and important opportunity for investors. At the same time, it was clear that this determination was accompanied by a staunch conviction that investors' interests should be scrupulously safeguarded.

With this kind of backing, it is perhaps not surprising that the Merchant Investors Property Bond has steadily attracted investment to the tune, now, of around £3 million, but another major factor in its success has been the exclusive appointment as Property Managers of Richard Ellis & Son—one of the most respected names in the whole country.

So the Merchant Investors offer you the dynamism of a young enterprise, the security of the biggest finance group in Britain, and the potential of exciting growth based on the soundest advice available.



Going on past experience, well-selected and expertly managed property should continue to show good capital growth. Property values can, of course, go down as well as up. But there's no reason to suppose that commercial property should do less well in the next decade or so than it has in the last 20 years.

**Withdrawal Plan**  
Each year you can withdraw up to **7%** of the value of your Bond completely free of Income Tax, provided your investment is over £1,000.

The Merchant Investors Property Bond: how it works. When you buy your Bond your investment is paid into the Property Fund along with that of your fellow Merchant Investors. Your Bond will tell you the number of units in the Fund allocated to you. From then on, you share in any appreciation of the value of the property bought, and the rental income

derived from it. (At the same time, your Bond gives you a life assurance benefit.) And that, in effect, is all there is to it. You're involved in no effort beyond sitting back and watching the Fund do the work for you.

How to cash in. You may cash your Bond in whole or in part, at any time (minimum £50). You will receive the full value of your units at the price of the next monthly valuation. There are no deductions or penalties of any kind made from this sum. The Company reserves the right, in very exceptional circumstances, and only when the Actuary considers it necessary, to defer cashing-in for, at maximum, 6 months.

Management Charges. The Insurance Company makes an initial charge of 5% of the premium you pay. The remaining 95% is used to purchase your allocation of units at the current price. In addition, each year the Company makes a charge of 3% of the value of the Fund.

How to become a Merchant Investor. You will find an application form below. Send this with your cheque (minimum £100, no maximum) and, on acceptance, you will receive a Bond. This will show you the number of Units of the Property Fund allocated to you. It will also tell you about your life assurance benefit.

It only remains for us to add how much we look forward to welcoming you to the select and increasingly affluent company of Merchant Investors.

To: Old Broad Street Securities Assurance Ltd, 39 King St, London, EC4V 3DT Tel: 01-600 8191, 01-606 7291

I wish to invest £\_\_\_\_\_ in Merchant Investors Property Bonds (any amount from £100) and I enclose a cheque for the amount payable to Old Broad Street Securities Assurance Limited.

Surname (Mr./Mrs./Miss) \_\_\_\_\_

Forenames \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_ Date of Birth \_\_\_\_\_

Are you in good health and free from effects of previous illness or accidents? Yes/No. If no, please give details.

Tick here for Automatic Withdrawal Plan (minimum single investment—£1,000) ☐

Send in your application and cheque now to get the benefit of units allocated at the current price of 108p. This offer applies to proposals accepted prior to Tuesday December 7th, 1971.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Tick here if you would like more information on: the lump sum plan ☐ our monthly savings plan ☐

This advertisement is based on current law and Inland Revenue practice. No medical evidence will be required in normal cases but the Life cover comes into force only upon acceptance by the Company.

**Merchant Investors Property Bonds**



## BIDS AND DEALS

# Now Argyle offers £2m. for Farrow Jackson

Shareholders in Farrow and Jackson and Purdy yesterday received the second bid for their company in four months. In July they were offered 25p a share by merchant bankers J. Henry Schroder Wagg, valuing the company at £1.1m. Yesterday a £2m. offer of 30p a share cash or a share exchange offer worth 35p for each Ordinary came from Argyle Securities, the property group in which Slater Walker has just taken a 42 per cent. stake.

Following this news, the F.P. Ordinary jumped 170p to 570p. Schroder's made its bid after acquiring a 35 per cent. stake from an American shareholder and finished up with 48 per cent. of F.P. It has agreed irrevocably to sell these shares to Argyle and will therefore show a profit of more than £400,000 on the deal.

Schroder's will take cash for most of the shares but will take some Argyle Ordinary. It is understood this will be a stake equivalent to around 1.5 per cent. of the enlarged Argyle capital.

The directors of F.P., who told shareholders not to accept the Schroder's bid, said they could only satisfy the City Code, are recommending this one and will accept—giving Argyle irrevocable acceptance in respect of more than half the F.P. capital.

F.P. has a trading company making labelling machines for the bottling and packaging industries but its main asset is a building in Mansell Street, Prescott Street, East London.

Since Schroder's moved in, the partly-expired lease on some of the building occupied by another organisation has been bought for £47,000 cash.

SW now estimates, and Schroder's agrees, that the net assets of F.P. are worth 566p a share.

Schroder's was to sell the manufacturing business and Argyle also has this in mind.

Terms of the offer are five Argyle Ordinary (last night worth 11p each) for each F.P. Ordinary. SW will underwrite to provide a cash alternative equivalent to 50p per F.P. share.

F.P. holders will be entitled to the 15 per cent. final dividend to be declared in respect of the year to July 31, 1971.

The proposed capitalisation, issue of F.P. will be deferred, pending the outcome of the offer.

**DIRECT SPANISH**

The Board of Direct Spanish Telegraph announces that contracts have now been exchanged for the acquisition of the Forth Square, at Blackfriars.

However, Thomson has run into a series of problems with this proposal, not the least being the rejection in June by Mr. Peter the Secretary of State for the Environment, of a redevelopment plan which included demolition of a terrace of houses adjoining Bloomsbury. The houses are on the statutory list of buildings of architectural or historic interest. Nonetheless, this decision has not altered the plan, says Mr. Peter the Times to Gray's Inn Road.

It is understood that Guardian has been negotiating with Thomson for several weeks and that agreement, or otherwise, is unlikely to be reached for some time. Guardian is remaining silent on the issue and yesterday Mr. Harvey Soring, the chairman, would not comment on what interest Guardian might take. In such a deal, however, one possible arrangement could be a sale and leaseback, which would give both a boost to Guardian's assets and Thomson's cash position.

If the redevelopment went ahead, this would leave Thomson free to dispose of PHS. It is already known that S. Pearson and Son, holding company of Lord Cowdrey's business empire, which takes in the Financial Times and merchant banks, Lazards, is interested in PHS. Talks have been taking place with a view to Pearson's acquisition of PHS but no indication has yet been given of when they might be concluded. PHS also houses the Observer newspaper, which is the effective owner of the building by virtue of its having an option to buy.

**THOMSON'S REDEVELOPMENT**

By Nicholas Leslie

There is a possibility that Guardian Properties (Holdings) will play a part in the Thomson Organisation's plan to redevelop a site adjacent to Thomson House, in the Gray's Inn Road, the home of the Sunday Times. For several years, Thomson has been pushing for a redevelopment so that The Times newspaper can be transferred from its present headquarters in Printing House Square, at Blackfriars.

The Panel said yesterday it was satisfied that the buyers of the Thomson shares had no connection with SW, Cornwall, or their associates and had bought the shares for investment purposes only. "It was just a lucky chance," said the Panel spokesman.

**ROCHDALE CANAL**

In a new move to defeat Town Centre Securities from taking over Rochdale Canal Company at its present offer of 200p a share, Mr. Edward Gelling, acting as executor for a deceased Rochdale shareholder, was yesterday granted in the High Court, which others, an ex-parte injunction restraining TCS from dealing in its offer unconditional. The injunction lasts until 3 p.m. on Tuesday.

Meanwhile, Mr. Edward Kilner, chairman of Rochdale, has sent out a letter to shareholders giving them further information on the value of Rochdale's assets. Mr. Kilner says that since planning permission was obtained in 1968 various possibilities had been considered for the redevelopment of the six-acre site at Piccadilly, in Manchester. A recent professional valuation has been obtained at £750,000 for the site. From this an allowance has to be made for capital gains tax at corporate rate. This, adds Mr. Kilner, is dependent on its proper development which requires additional expertise outside the province of the canal undertaking. Other assets are tenanted waters worth £70,000, at directors' valuation and investments already set out in the offer document.

Mr. Kilner states, however, that offset against the assets must be the continuing liability for the canal waterway and that this represents a negative value. The directors estimate that £500,000 would need to be reserved to meet this obligation.

Costs of meeting statutory duties and risks cannot be ignored in arriving at the value of the company, any more than can be the incidence of capital gains tax on its assets. For these reasons, the directors consider TCS's offer fair and reasonable and they continue to recommend shareholders to accept.

**EDIBRAC**

Keyser Ullman, in conjunction with the principal shareholders in Chesnam Amalgamations and Investments, does not now intend to inject into Edibrac Group a substantial part of the venture capital operations of Keyser and the Ordinary of Chesnam. This is revealed in the documents relating to the proposed 30p a share cash bid by Keyser and the Chesnam shareholders for shares not already held in Edibrac.

Keyser and the Chesnam shareholders acquired a 51 per cent. interest in Edibrac in May at 30p a share and then promised that an offer would be made to other shareholders on the same terms. At that time the plan for Edibrac was to take over, in exchange for shares, the Keyser and Chesnam interests was disclosed. While this will not now go ahead, discussions are still going on, says Mr. S. White, chairman of Edibrac, in a letter to shareholders.

Edibrac present principal assets consist of cash and a small engineering company. The offer closes on November 26.

**MEM SAYS "WAIT"**

The directors of Midland Electric Manufacturing Company are considering the offer document from Delta Metals with financial advisers Hambro and full reply dealing with the various points will be sent to members shortly.

Meanwhile, they strongly recommend members to take no action on the Delta offer.

**RITZ PILLAR**

RITZ Pillar, through Pillar Europe Manufacturing NV, is to acquire certain shares in Skandinaviska Aluminium Profiler AB at present held by Kaiser Aluminium and Chemical Corporation.

An offer is also being made to minority holders in SAPA which is an aluminium extrusion company with modern extruding, anodising and fabricating facilities and will give RITZ Pillar's growing European group access to the Scandinavian market.

SAPA also has a 50 per cent. interest in Scandax Aluminium NV, Holland—the other 50 per cent. being held by O. Y. Nokia, Finland and it sells extruded products in a number of countries outside Sweden, including the U.K., Denmark and Norway.

**NEWMAN INDS.**

Newman Industries has acquired H. J. Mayberry and Co., manufacturers of alloy castings, for £150,000 cash and the issue of £140,000 10 per cent. partly convertible loan stock, 1989-90.

Profit, before tax, of Mayberry for year ended April 3, 1971, amounted to £75,100 and net assets were £449,382.

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## Coventry toolroom men start vote on all-out strike

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

COVENTRY, Nov. 5.

BALLOTING on a union recommendation to organise an all-out strike against engineering employers, that could bring large sections of Coventry's industry to a standstill was going on today.

While unconfirmed reports say that majorities have voted against striking at some factories, the fear is that when the full results are announced towards the end of next week there will be an overall decision for strike action.

The balloting follows last night's five-to-one voting by shop stewards of the engineering union to reject the formula by the Engineering Employers' Association for settling the five-month-old Coventry toolroom pay dispute, and to make a straight recommendation for an indefinite strike.

The open clash between the 7,000 toolroom and similarly rated workers in the city and the 50 or so employers who are members of the Association stems from the Association's decision to end a wartime agreement that automatically ties toolroom rates to the average for highly-paid skilled production workers.

### Adamant

The employers, while offering to increase rates while negotiations proceed, and a once-for-all payment, are adamant that the agreement must be replaced by individual plant bargaining.

In the past two weeks since the pact was cancelled, more than 7,000 workers have been striking every Monday, and for the past three Tuesdays employers have retaliated by locking them out.

Last night's decision by the stewards to reject the wages was taken after Rolls Royce had told 1,150 workers not to return until they accepted the nationally agreed toolroom rates.

Although these would give them an immediate extra £4 a week to bring their earnings up to £40, they have so far been solidly behind the district committee, and today met to vote. The result, if it becomes known, could be decisive in influencing balloting at other factories, and will be going on next week also.

### Actions endorsed

The issue, which could have grave consequences for the city's car, aero engine, machine tool, tractor and general engineering industries, is being handled by the district committee of the Amalgamated Union of Engineering Workers, which has cost Austin glassing. Workers' loss of output of 1800 saloons and MGB sports cars, has been made official.

More than 2,500 workers in Birmingham, Swindon, Oxford and Abingdon are laid off.

## EPTU strikes new blow at the Left

LEFT-WINGERS in the Electrical and Plumbing Trades Union day a motion calling for the lifting of the ban on Communist Party members holding office was rejected.

Mr. Chapple said after yesterday's private session that with the addition of the new rule book, the integration of the electrical and plumbing sections of the union was now complete. Earlier, the conference brought the plumbers into line with the electricians, so that their members will now have industrial committees instead of area committees.

**Tyne tugmen's pay strike still deadlocked**

BY OUR OWN CORRESPONDENT SOUTH SHIELDS, Nov. 5.

THE DEPARTMENT of Employment, which intervened yesterday in the Tyne tugmen's strike, has so far been unsuccessful in breaking the deadlock.

A local conciliation officer who has seen representatives of the tug owners and men separately but has been unable to establish enough common ground to bring them together.

The department will continue discussions with both sides in the hope of finding a formula to enable them to work out a settlement of the men's pay claim. The tugboatmen stopped work last Friday after rejecting an offer of a 10 per cent. increase. They are demanding more.

When the conciliation officer saw the tug owners' representatives today, they suggested that if the men accepted the 10 per cent. increase they would guarantee higher fall-back rates if earnings dropped below certain levels. But this was rejected by Mr. Harry Malcolm, secretary of the North-East Coast Tugboatmen's Association. "The men want higher basic rates," he said.

The deadlock makes it almost certain that the super tanker Texaco Great Britain, 253,000 tons, built by Swan Hunter, will be unable to leave the Tyne on Sunday to start sea trials.

## Walker hopes to name Peterlee chief in fortnight

BY OUR OWN CORRESPONDENT NEWCASTLE-ON-TYNE, Nov. 5.

MR. PETER WALKER, Secretary for the Environment, said today that he hoped to announce the name of the new chairman of Peterlee and Aycliffe Joint New Corporation Board in a fortnight.

The position was formerly held by Mr. T. Dan Smith, who stood down when accused on a corruption charge of which he was later acquitted, but he was not re-appointed.

Mr. Walker was asked to comment on reports that the favoured name of the new chairman was Peterlee and Aycliffe Joint New Corporation Board in a fortnight.

The position was formerly held by Mr. T. Dan Smith, who stood down when accused on a corruption charge of which he was later acquitted, but he was not re-appointed.

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## Improved results in a difficult year

### Group geared for further growth and expansion

The 22nd Annual General Meeting of Kirkstall Forge Engineering Ltd. will be held on 18th November at The Queens Hotel, Leeds. The following are extracts from the circulated statement of the Chairman, Mr. R. A. W. Caine.

Results for the year show a consolidated trading profit of £1,141,920 against £1,013,364 last year. After deducting interest, profit before taxation was £952,699 (£922,636). The charge for taxation was £345,000 (£438,273) leaving a profit after tax of £607,699 against £484,363 for last year. Dividend—The Directors have recommended a final dividend of 6% making 10% for the year, which is the same as last year.

**OPERATIONS: AXLE DIVISION**—The year has seen further considerable expansion and modernisation of productive capacity, and levels of Sales and Production were again records for the Company. The general recession in the industries to which we sell our products has brought current levels of output down but present indications are that demand should improve in 1972 following the inflationary measures taken by the Government.

**Commercial Vehicles**—Manufacturers of commercial vehicles enjoyed a high level of activity well into 1971, but, however, demand has now reduced. The independent and specialist manufacturers sustained their output at reasonable levels but the overall trend is down on last year with an expected up-turn in the market in the first-half of next year.

**Construction Machinery Equipment**—The substantial fall in demand for Tractor Shovels and Dumper Trucks in this country and abroad, upon which I commented last year, has continued, and will only be reversed by a world-wide upsurge of investment in major civil engineering projects. We are well placed to take advantage of market recovery in this sector.

**Forklift Truck & Side Loaders**—This industry has experienced a similar pattern of a general decline in sales levels, but supported by a strong export market the industry appears to have cushioned itself against the worst effects of the recession in the United Kingdom. New machines and applications are constantly being developed by the manufacturers and our new product range can meet all of the industry's needs.

**Mobile Cranes**—Our customers in this industry have expanded their production of

machines even further and each year a larger proportion of Mobile Cranes manufactured in the United Kingdom and abroad are being fitted with Kirkstall Axles.

**Special Purpose and Municipal Vehicles**—This market has sustained a good level of activity and axes for a number of new and interesting applications have been supplied this year.

**FORGE DIVISION**—We have made major inroads into the European market with the sale of Forgings and capacity is being enhanced with the installation of one of the largest forging units in the country, which will come into production in the middle of 1972. The profitability of the Division has improved considerably and we see the Forge making a larger contribution to Group results in the future.

**PRESSINGS DIVISION**—This Division has been running at a reduced level during the course of the year mainly because of the low level of activity by commercial vehicle manufacturers.

**GEAR DIVISION**—The building expansion programme of 110,000 sq. ft. at Burnley is nearing completion and proving trials for the manufacture of complete Drive Assemblies will commence shortly. This facility using the most modern techniques and machinery will enable us to sell competitively priced axles and gear assemblies into a market which is becoming increasingly cost conscious.

**HYDRAULICS DIVISION**—The Hydraulics Division which is situated at Cheltenham, has moved into new premises and capacity has been expanded by the installation of additional machinery. Sales are affected by the overall recession but the Division has considerable potential.

**THE FUTURE**—The Group, through its extensive programme of modernisation and re-organisation, is geared for growth; the improved results reported have been achieved during a year of increasingly more difficult market conditions. These difficulties are considered transitory and we expect to see a return to conditions of strong demand and expansion during 1972.

It is difficult at this stage to give any forecast of the final outcome of the current year's trading. Nevertheless, with increasing benefits from modernisation and expanding direct exports with an enlarged product range, we have every confidence in the future.

Copies of the Report and Accounts containing the Chairman's Statement in full can be obtained from the Secretary, Kirkstall Forge Engineering Limited, Leeds LS5 3NF.

## BEECHAM INTERNATIONAL HOLDINGS S.A.

\$15,000,000 5½% Guaranteed Convertible Debentures Due 1981  
and 6¼% Guaranteed Non-Convertible Debentures Due 1981.

NOTICE IS HEREBY GIVEN, pursuant to Clause 2 of the Second Schedule to an Indenture ("the Indenture") dated 15th July, 1968 made between Beecham International Holdings S.A. ("the Company"), Beecham Group Limited and Eagle Star Insurance Company Limited (as Trustees) constituting the above-mentioned Debentures, that a Meeting of the Holders of the above-mentioned Debentures will be held at Banque Lambert-Luxembourg S.A., 11 Boulevard Grand' Duchesse Charlotte, Luxembourg, on 29th November, 1971 at 2.30 p.m. for the purpose of considering and (if thought fit) passing Extraordinary Resolutions (as defined below) dealing with the Company's proposal to provide, in the event of the International Monetary Fund rates for exchange transactions between U.S. dollars and pounds sterling ceasing to be applicable, an alternative method of calculating the exchange rate between U.S. dollars and pounds sterling for the purposes of conversions under the Indenture.

It is proposed that suitable modifications to the Indenture should be made by Supplemental Indenture and the Indenture and a draft (which is subject to amendment) of such Supplemental Indenture are available at the offices of the Trustee at 1, Threadneedle Street, London, E.C.2, and at the offices of each of the following Paying Agents:—

First National City Bank:  
New York 399 Park Avenue, New York, N.Y. 10022, U.S.A.  
London (City Branch) 34 Moorgate, London, E.C.2.  
Brussels 8 Rue Cardinal Mercier, Brussels.  
Amsterdam 545 Herengracht, Amsterdam.  
Paris 60 Avenue Champs Elysees, Paris.  
Frankfurt 16 Grosse Gallusstrasse, Frankfurt.  
Milan 2 Piazza della Repubblica, Milan.  
Banque Lambert-Luxembourg S.A., 11 Boulevard Grand' Duchesse Charlotte, Luxembourg.

Any Debenture holder who wishes to attend the Meeting must, not later than 48 hours before the time appointed for holding the Meeting, deposit the Debentures in respect of which he intends to vote at the Meeting, at the office of one of the Paying Agents or of the Trustee in return for which he will be issued with a Receipt and a Voting Certificate.

The quorum at the Meeting is the holders present in person or a clear majority in principal amount of the Debentures for the time being outstanding, if, within half an hour from the time appointed for the Meeting, a quorum is not present the Meeting shall be adjourned for not less than twenty-eight days and at such adjourned meeting the Debenture holders present and entitled to vote, whatever the amount of the Debentures held by them, shall form a quorum and shall have power to pass the Extraordinary Resolutions.

For the purposes of the Indenture, an "Extraordinary Resolution" means a resolution passed at a meeting of the Debenture holders duly convened and held in accordance with the provisions contained in the Indenture at which the holders of a clear majority in nominal amount of the Debentures for the time being outstanding are present or at any adjourned meeting of which notice has been given in accordance with Clause 6 of the Second Schedule to the Indenture by a majority consisting of not less than 66 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66 per cent. of the votes given on such poll.

BEECHAM INTERNATIONAL HOLDINGS S.A.  
The Board of Directors

## Tenants gripe at unkempt estate

BY ARTHUR SMITH

THE APPEARANCE of housing estates and the way they are looked after are the major causes of dissatisfaction among council tenants, according to a survey carried out for the Department of the Environment.

This was revealed yesterday by Mr. Paul Channon, Parliamentary Under-Secretary at the Department, when he spoke to the Institute of Housing Managers Conference at Brighton.

"One of the interesting results to emerge is that while dwellings owned by Parker Morris standard are producing very high levels of satisfaction, the same cannot be said for the estate outside the belt," Mr. Channon declared.

The survey, to be published shortly as a Design Bulletin, dwellings—already happening as asked.

You know," Mr. Channon said. Except for areas of stress, believed that rather than build simply for housing need, general authorities would be increasingly providing for the needs of specific groups, such as the elderly, the disabled, and the needs of cleared slums.

Mr. Channon accepted criticism that the application of a fair rent principle to council houses restricted the freedom of local authorities to fix rents.

"What real freedom have we pressed local authorities now, a choice of either placing intolerable burdens on tenants or raising rents, or just not building? What houses that are needed?"







WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Well above the worst

BY OUR WALL STREET CORRESPONDENT

THE RECENT REACTION was resumed on Wall Street today, but the close was well above the worst. After falling 7.82 to \$35.35, the Dow Jones Industrial Average finished 2.78 off at \$40.39, reducing its gain on the week to 1.30. The NYSE All Common Index, at \$52.16, lost 18 cents on the day but was up 9 cents on the week. Trading volume, however, fell by 4.97m. shares to 10.78m.

A mild positive reaction to the announcement that unemployment in October eased to 3.8 per cent, for the second consecutive monthly decline.

Also in the new background, Senator William Proxmire said the Senate Banking Committee when it meets next week is likely to consider legislation to require the payment of wage increases

frozen during Phase One of the Nixon Economic Programme. The House Banking Panel late yesterday.

The Treasury under Secretary Charles Walker, said President Nixon will not immediately seek to boost the import surplus to 15 per cent from 10 per cent. Congress grants him the power. "Glamours" closed mostly lower but regained some earlier losses.

General Motors were off 5/8 at \$79, despite plans to set up monthly production because of the good response for 1972 models. Steels were mixed while Oils closed mostly lower.

The American SE Index lost 6 cents to \$24.54, making a loss of 7 cents on the week.

Arctic Enterprises shed \$1 to \$42.53—its third-quarter profit would

OVERSEAS SHARE INFORMATION

NEW YORK			Stock		Nov. 5	Nov. 4	Stock		Nov. 5	Nov. 4	Stock		Nov. 5	Nov. 4
Stock	Nov. 5	Nov. 4	Cisco	41	40 1/2	King-Turn-Vahl	9	9 1/4	Starting Drug	45 1/2	45	Pat. Nat. City Corp.	41 1/2	42 1/2
			Canoe	22 1/2	23 1/2	Litton Index	25 1/2	26	Shoemaker	39 1/4	39	Gen. Hancock	30 1/2	31 1/2
			Crowell Collier	9 1/4	9 1/2	Lockhead Aeron	8 1/2	8 1/2	Sw Oil	50 1/4	50 1/4	Marine Midland	35 1/2	36 1/2
			Chas. Schenck	31	30 1/2	Low Gas Gen	42 1/2	43	Consolidated	38 1/2	38 1/2	Northwestern	34 1/2	35 1/2
			Commonwealth	51 1/2	51 1/2	Lowman Land	42 1/2	43	Swiss	25 1/2	25 1/2	Northwestern Paco	35 1/2	36 1/2
			Corbett-Wright	11 1/2	10 1/2	Lubrizol	45 1/2	45 1/2	Swiss	68 1/2	68 1/2	Nov. 5, 1907	167	167
			Gen. Inductries	34 1/2	34 1/2	Lucky Store	30 1/2	30 1/2	Sw W	12 1/2	12 1/2	Nov. 5, 1907	171 1/2	171 1/2
			Gen. Inductries	42 1/2	42 1/2	Lies-Kompant	6 1/2	7	Technicolor	12 1/2	12 1/2	U. S. Bank	53 1/2	53 1/2
			Delmona	24 1/2	24 1/2	MAG	22 1/2	22 1/2	Technicolor	35 1/2	35 1/2	U. S. day light	4 1/2	4 1/2
			Diamond	53 1/2	53 1/2	M. B. H.	42 1/2	42 1/2	Technicolor	10 1/2	10 1/2	U. S. day light	4 1/2	4 1/2
			Diamond	102 1/2	102 1/2	M. B. H.	46	46	Texas	10 1/2	10 1/2	U. S. day light	4 1/2	4 1/2
			Diamond	55 1/2	55 1/2	Marathon Oil	32 1/2	32 1/2	Texas	22 1/2	22 1/2	U. S. day light	4 1/2	4 1/2
			Diamond	55 1/2	55 1/2	Marathon Oil	32 1/2	32 1/2	Texas	22 1/2	22 1/2	U. S. day light	4 1/2	4 1/2
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**FINANCIAL TIMES STOCK INDICES**

	Nov. 3	Nov. 4	Nov. 5	Nov. 2	Nov. 1	Nov. 29	Nov. 1
Government Securities	78.05	78.05	78.80	78.25	78.25	78.51	79.22
Foreign Investments	78.69	78.64	78.66	78.54	78.54	78.59	79.84
Industrial Ordinary	400.4	400.9	400.7	397.3	403.8	400.8	347.2
Total Mining	45.9	43.9	45.7	43.7	44.1	44.1	52.7
Div. Yield per share	6.12	6.07	6.05	6.12	6.05	6.05	6.05
Earnings Yield per share	16.30	16.67	15.51	16.10	16.45	16.69	14.35
P.E. Ratio per share	10.312	11.985	12.187	12.642	12.74	12.545	8.055
Investing Marketed	405.0	404.6	404.3	402.3	400.4	400.5	400.5

HIGHS AND LOWS	S.E. ACTIVITY
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-	1971		Since Completion		-	Nov. 6	Nov. 4
	High	Low	High	Low			

Burnham gave up 13p at Ultramar fell back 10p to 10p Eastern and General both recent rise at 5p, up 1p.

Trusts were usually a snare where changes occurred. Northern Assurance gained 54p and Wood Hall Trust, hit by press comment, were 3p 10sp. Declines of 6p apiece came from the 10p 10sp 10sp 10sp Border and Southern, 24sp, Don Australia and General. A bright market at Financial, a rise of 6p at 51p, prompted a fall in favourable Press comments. Drakes, however, came back to 196p, while Ischape, a

Small sellers produced in Shiping  
eastern tendency. In Shiping  
Court Line. 158p. and  
Deferred, 157p. were both at  
4p lower. The tendency to hold  
to the top. The market was  
very low. The Two-Cent  
200p cash offer is reasonable,  
still recommend acceptance, a  
dale Canal moved ahead  
to 234p  
on speculation that a higher  
will be made following S.  
Walker's recent purchase  
shares at around 211p.

Tobacco gave ground on  
recent selling and lack of sup-  
ply. The market was very low.  
Imps 2p to 75p. By cop-

Royal	A good two-way business was
to \$7-	in Carreras "B," which rose
sharply	\$7 before closing up better
\$P close-	balance at 38p.
er \$45p,	In Textiles, Courtaulds shot
ending	to 109p. Radley Fashions sh-
"29p.	renewed firmness at 45p, up

	1971	Since Completion	Nov.	Nov.
--	------	------------------	------	------

	High	Low	High	Low		0	4

phen's Green Dublin 757971  
and 54.0 57.0; -5.7| 2.97

**Mrs Excalbur in Cp. S.A.**  
Royal, Luxembourg

Ev. I.	US\$8.18		—
Friedlander Ltd., Agents			
Street, E.C.4	#1-946	9643	
	\$738	829.08	- \$18 : 2.41
Eker Tot. Mgt. (Bahamas)			
S. S.E.I.	St.-47	2778	
Pd431	4511-	3	—
r. S. Next	dealing	Nov. 15,	
Eker Tot. Mgt. (Jersey)			
St. Beller, Jersey	B594	32251	
Nov. 147.2	153.2	- 1.6	1.80
scription	Nov. 12,		
can Internat. Fund Ltd.			
M. Nassau, Bahamas			
	R50.6199		3.23
Poor's Int'l. Fds. S.A.			
Luxembour, Luxembourg			

Bank C.I. Ltd.	94.31	.....	—
Way [80.6	94.31	.....	—
Description day Nov.			
Trust Managers Ltd.			
Douglas, J.M., Douglas 21887			
.....[57.5	61.51	.....	2.30
St Mgra. (Cayman) Ltd.			
Grand Cayman, Cayman Is.			
.....[76.7	78.91	.....	—
3. Next sub. day Nov. 18.			
tal Holdings N.V.			
Share Co. N.V., Curacao			
street No. 1 SUSA.75.			
ers (Bermuda) Ltd.			
St. Hamilton, Bermuda			
.....[188.5	95.51	.....	3.00

[illegible]

in Wales Trust may be Bank of South Wales. 02-28 0420.	
C. G. Vin. Agts.	
Street. E.C.2.	01-000 4003.
U.S.S. 57	+0.87 —
U.S.S. 59.4	-0.55 —
at asset values.	
<hr/>	
	% Yield %
Prosper Group	
of London. T.C. 508	1772
122.1	23.4
96.9	102.0
r. 3. — Price on Oct. 14.	
Fnd. & Life Ass. Soc.	
So. Edinburgh E.S.S. Syd.	
214.8	219.1
Life Assurance Co.	

reet, Edinburgh	882	172
12	95.5	---
<b>Assurance Co. Ltd.</b>		
Oxford Rd., Ayr	5941	---
104.0	---	---
101.0	---	---
<b>Scottish Life Assurance</b>		
Quare, E.C.4.	81-488	4511
128.0	136.0	---
<b>Scottish &amp; London Assurance Co. Ltd.</b>		
115.2	---	---
135.4	---	---
72.2	---	---
106.5	---	---
116.0	---	---
<b>Insurance Company Ltd.</b>		
Street, E.C.4.	81-226	6781

100	100.0	100.0	100.0
101	101.8	101.8	101.8
102	102.0	102.0	102.0
103	103.8	103.8	103.8

NOTES

1. For all buying expenses.  
 2. As include all expenses.  
 3. C Yield based on offer.  
 4. 100-day's opening.  
 5. U.S. dollar tree of U.K. assets.  
 6. Where otherwise indicated.  
 7. Price includes all.  
 8. Bought through managers.  
 9. Through profits payment.  
 10. Price.  
 11. Offered price.  
 12. Expenses except agent's commission.  
 13. Premium insurance.  
 14. Split.  
 15. Net of tax on

• Not authorised by the  
• Guernsey yield. • Not  
• change rate difficulties.











**RUBBER**



## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

Equity Groups	Friday, Nov. 5, 1971	Thurs. Nov. 4	Wed. Nov. 3	Tues. Nov. 2	Mon. Nov. 1	Year ago (approx.)	High and Low Index
ROUPE & SUB-SECTIONS	Index No.	Day's Change	With 40% Div. Yield	Div. Yield %	Index No.	Index No.	Index No.
Capital Goods Group (184)	155.62	-1.0	6.15	18.27	157.08	155.03	152.74
Aircraft and Components (3)	131.21	-0.6	6.08	12.38	131.87	130.87	128.97
Building Materials (29)	162.94	-1.2	4.85	20.63	164.07	160.30	155.26
Contracting and Construction (20)	164.89	-1.1	5.28	18.88	165.61	164.46	162.04
Electrics (ex. Electr. Rad. & TV) (31)	163.47	-2.2	5.38	18.60	165.32	164.04	162.71
Engineering (79)	137.37	-0.4	6.08	14.34	137.94	136.16	134.87
Machinery Tools (15)	85.43	-0.5	7.83	13.10	85.76	83.27	82.15
Miscellaneous (25)	158.40	-0.3	7.60	13.16	158.74	158.16	157.58
Consumer Goods (Durable) Group (57)	176.25	-1.0	4.41	22.60	176.08	175.28	171.77
Electronics, Radio and TV (14)	176.25	-1.0	4.41	22.60	176.08	175.28	171.77
Household Goods (15)	206.41	-0.5	5.66	17.66	206.99	206.31	201.39
Motors and Distributors (25)	123.22	-0.5	4.35	22.97	123.78	123.22	118.98
Non-Durable Goods (Non-Durable) Group (174)	123.22	-0.5	4.35	22.97	123.78	123.22	118.98
Beverages (20)	179.82	-1.9	5.59	17.90	180.24	179.12	176.91
Wines and Spirits (7)	157.52	-1.1	6.44	16.54	158.62	158.03	156.97
Entertainment and Catering (16)	225.83	-1.5	5.74	17.43	226.81	224.92	219.40
Food Manufacturing (24)	140.08	-1.2	5.69	17.57	141.77	139.54	138.13
Food Retailing (17)	150.28	-0.2	5.34	18.78	150.67	150.09	147.43
Newspapers and Publishing (15)	150.85	-0.5	5.75	17.39	151.69	151.08	147.43
Packaging and Paper (18)	109.30	-1.2	7.06	14.16	110.51	109.77	108.65
Stores (29)	151.81	-0.7	4.52	22.13	151.88	151.73	149.78
Textiles (21)	162.16	-2.5	6.52	16.38	164.28	164.93	162.71
Tobacco (3)	215.78	-1.0	10.21	9.79	216.96	213.43	207.49
Toys and Games (8)	51.62	-0.7	22.41	3.01	51.63	51.86	51.27
Other Groups							
Chemicals (19)	172.26	-3.1	5.75	17.39	177.71	176.90	171.57
Office Equipment (10)	167.97	-1.9	3.21	25.97	171.18	170.84	168.68
Shipping (10)	515.44	-0.5	8.48	11.79	516.81	516.30	510.46
Miscellaneous (unclassified) (44)	192.77	-0.7	5.46	18.32	193.83	191.81	189.93
Industrial Group (498 Shares)	164.51	-1.4	5.65	17.70	165.92	164.94	162.14
Oil (2)	800.19	-4.0	6.56	15.25	812.99	816.26	805.93
500 SHARE INDEX	176.14	-1.8	5.78	17.31	177.98	177.06	174.43
Financial Group (121)	168.03	-0.9	2.93	16.71	169.66	168.66	166.03
Banks (6)	167.24	-0.8	8.25	12.12	168.61	169.49	164.81
Discount Houses (6)	192.63	-2.2	4.11	18.82	192.30	191.79	184.03
Hire Purchase (6)	278.13	-0.9	4.59	21.66	280.73	274.41	271.86
Insurance (Life) (9)	145.75	-2.2	4.11	18.82	148.02	148.56	146.53
Insurance (Composite) (9)	128.55	-1.1	4.11	18.82	131.05	131.28	128.95
Insurance (Brokers) (11)	170.39	-0.5	5.18	19.31	171.13	171.54	168.15
Investment Trusts (20)	180.19	-0.9	3.13	31.92	181.77	179.00	176.16
Merchant Banks, Issuing Houses (14)	161.57	-1.4	4.11	18.82	163.98	164.54	162.71
Property (31)	221.21	-0.4	2.75	36.42	222.10	219.31	218.37
Miscellaneous (9)	186.39	-0.4	5.52	18.11	187.20	185.09	182.63
ALL-SHARE INDEX (218 SHARES)	173.55	-1.6	3.56	17.66	174.96	174.11	171.41

Commodity Share Groups	Friday, Nov. 5, 1971	Thurs. Nov. 4	Wed. Nov. 3	Tues. Nov. 2	Mon. Nov. 1	Year ago (approx.)	High and Low Index
Not included in the 500 or All-Share Indices	Index No.	Day's Change	With 40% Div. Yield	Div. Yield %	Index No.	Index No.	Index No.
Rubbers (10)	247.34	-0.6	9.64	10.38	248.95	245.49	244.55
Teas (10)	100.44	-	16.64	6.01	100.44	100.44	101.65
Coppers (4)	336.78	-1.2	71.80	1.39	338.01	329.35	328.18
Mining Finance (11)	72.23	-0.5	6.97	14.84	72.87	71.43	70.93
Tins (8)	69.50	-0.6	11.37	8.80	69.95	70.53	71.35
Industrial Group	31/12/70				128.20		
Miscellaneous Financial	31/12/70				128.06		
All Other	10/4/62				100.00		

Fixed Interest	Friday, Nov. 5, 1971	Thurs. Nov. 4	Wed. Nov. 3	Tues. Nov. 2	Mon. Nov. 1	Year ago (approx.)	High and Low Index
Index No.	Yield %	Index No.	Yield %	Index No.	Yield %	Index No.	Yield %
Consols 2½% yield	8.68	8.68	8.68	8.78	8.75	8.71	8.17
20-yr. Govt. Stocks (6)	85.94	7.48	85.80	85.77	85.01	85.05	85.48
20-yr. Red. Debentures & Loans (15)	79.24	9.25	79.80	79.19	79.23	79.53	79.56
Investment Trusts Prefs. (15)	79.37	9.31	79.64	79.64	79.32	79.32	79.32
Commercial and Indust. Prefs. (20)	84.82	9.09	84.88	85.33	85.47	85.44	85.64

Special List	Friday, Nov. 5, 1971	Thurs. Nov. 4	Wed. Nov. 3	Tues. Nov. 2	Mon. Nov. 1	Year ago (approx.)	High and Low Index
Index No.	Yield %	Index No.	Yield %	Index No.	Yield %	Index No.	Yield %
Consols 2½% yield	8.68	8.68	8.68	8.78	8.75	8.71	8.17
20-yr. Govt. Stocks (6)	85.94	7.48	85.80	85.77	85.01	85.05	85.48
20-yr. Red. Debentures & Loans (15)	79.24	9.25	79.80	79.19	79.23	79.53	79.56
Investment Trusts Prefs. (15)	79.37	9.31	79.64	79.64	79.32	79.32	79.32
Commercial and Indust. Prefs. (20)	84.82	9.09	84.88	85.33	85.47	85.44	85.64

Option Report	Friday, Nov. 5, 1971	Thurs. Nov. 4	Wed. Nov. 3	Tues. Nov. 2	Mon. Nov. 1	Year ago (approx.)	High and Low Index
Index No.	Yield %	Index No.	Yield %	Index No.	Yield %	Index No.	Yield %
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London 10.15 AM  
Western (London) 10.15 AM  
Woodward Street Class A 10.15 AM  
(By permission of the Stock Exchange Council)

CORAL INDEX  
Close 296-101

## ERRATA

Land and House Property Corp 10.15 AM  
Lending 10.15 AM  
Ward 10.15 AM  
Woodward Street Class A 10.15 AM  
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## NEW 'HIGHS' AND 'LOWS' FOR 1971

The following securities (marked in parentheses) reached new highs and lows for 1971:

## NEW HIGHS (96)

British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)

## CORPORATION BONDS (21)

British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)

## BANKS (11)

British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)

## BUILDINGS (19)

British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)  
British Overseas Airways (14)

## CHEMICALS (17)

British Overseas Airways (14)  
British Overseas Airways (14)



**HOTELS AND CATERERS—Continued**

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**MAN OF THE WEEK**

## The sound of the seventies

BY ARTHUR SANDLES

THIS WEEK Mr. Christopher Chataway, still-busy, looks burst upon the front pages once more, with a double-barrelled day, the effects of which are likely to be remembered for some time. In the not-too-distant future we can look for more expensive stamps, for the once-a-day postal service to the back-ground sound of the Chataway commercial radio station.

Whatever the Chataway view to-day—in fact he denies ambition and says he likes the job he has—when the post of Minister of Posts and Telecommunications was given to him it came as a surprise. A long-term education specialist who had for a time been working too on environmental problems, "I had no idea at all that I would get this job. I had never given it a thought." He was faced immediately with a management confrontation with the Post Office chief executive, a queue of television companies at the door demanding a reduction in the advertising levy, and a battery of prospective radio contractors eager to get in on the broadcasting act.

### Boy-next-door

For a time former athlete and TV journalist Chataway seemed to be living up to his public. He was the amiable if undynamic boy-next-door type. But quickly he was working away with one of his lesser-known assets, the ability to listen. Chataway has a considerable talent for absorbing argument and facts, and waded through quite a lot of both in the summer of last year. By the end of this period of amorous meditation he had learned enough to want to sack the Post Office chief executive in a style which, I suspect to his own surprise, won him sympathy rather than abuse.



In the light of that first major brush with the Post Office and his later posture over the postman's strike, his support of the sweeping changes to be made in the postal system is not at all surprising. He displays a persistent tendency to tick over dutifully without giving much public vent to his thoughts and then to burst forth with decisions. For the other commercial radio enthusiasts this has proved a bit frustrating. They would seek interviews and be shown into the modest office overlooking Waterloo station to find a man keen to hear views but less willing to express his own—until first the White Paper and now the Bill.

Chataway, who lives near Chichester and keeps in trim with occasional "runs on the downs" is now 40 and tipped for fairly early promotion in the Tory ranks. Unless the move comes very quickly indeed, he faces another round of difficult decisions, most of them concerning television.

### Articulate

In his somewhat austere office block, which is separated from the Whitehall mainframe by the Thames, he tackles his problems with an easy cheerfulness which, sometimes, upsets those who have a taste for solemnity and perhaps a few more grey hairs in their Ministers. An articulate and entertaining talker in private, his television past means that when he changes gear to make public announcements the extra caution he puts into his words is carried without obvious strain.

Perhaps he is accused of over-enthusiasm because he takes his time, persuading critics—"I don't think the Sound Broadcasting Bill leaves too many questions unanswered. It is no more open and arguably slightly less open than the 1964 Act left television. It is certainly much more cut and dried than the original act was setting up commercial television."

Certainly the past year or so has shown Christopher Chataway to be a rather different politician, performer than some had expected. He says he has tried to play golf but in spite of his athletic past "I am not very good at ball games." He seems to have learned the technique of some other games quite well.

## THE LEX COLUMN

# Waiting for the fears to grow stale

While apparently totally dependent on Wall Street for its direction, the London equity market's own contribution to the scene has been an anxious downward bias this week. Since the fears which hold the market are not new, the conclusion is that without positive help from the U.S., the downward bias will last just until the fears grow stale. It will be noted that yesterday's sharp index drop on lower volume was accompanied by a falls rises ratio of only 4 to 3. But if that puts the fall into perspective it also means that the market is less oversold than it was at this index level on Tuesday.

At this stage, anxiety in industrialists is having a positive effect on the gold sector, which was showing incipient strength yesterday after having apparently grounded for about three weeks. The same side effect may be seen in gilt.

### A.B. Maltsters

The market has been convincing itself that Giltspur has got

a fight on its hands with its grain shortage on exports—17 per cent. of U.K. output value a year ago—may have been sizeable. That may not be such a help this time round, and the 1971 barley crop is not startlingly good either. But A.B.M.'s statement has the confidence ring of a trump or two sleaved.

See also Page 16

**Truscon**  
The reasonable view of shareholders in Truscon Ltd. is that the value of their company is largely dependent on the value of its 51 per cent. subsidiary Truscon Properties—to which indeed the parent recently made an important property sale. There was some disappointment, to judge by the letters, with the bid from Ionian Bank of 27p cash, which is only just over net asset value with the TP assets at cost. Still, that was the price at which Shell sold out its 49 per cent. holding to the bidder.

Since then, however, shareholders have been told of negotiations for the sale of the key property asset and are under-

standably perplexed as to how to evaluate the Ionian bid without details of the value of TP. They may also have pondered on Ionian's motive in bidding in the first place. But in practice the value of TP means the price paid for it, and shareholders' options are quite clear. They will expect the bid to be extended beyond its November 19 expiry date, and indeed beyond December 2, the date by which Mr. Markham the potential acquirer of TP should have either negotiated terms or sold out. When this issue is resolved, Truscon holders will be properly placed to judge the merits of the bid.

**Midland Aluminium**  
This year Midland Aluminium's share price has more than doubled from its 1971 low, and with 1970-71 profits up 36 per cent. before tax and loan interest to £889,000 that strength does not look expended. The group's half-time trading pattern—sharp growth in housewares but a static heating performance—has been

reversed. Midland is big in year of South African losses running at around £100,000 last time, further underpin a fully diluted p/e of 13.3 at 101p. See also Page 17

**Lex Service**  
By placing 3.65m. shares yesterday to raise around £4.6m. —i.e. financing the Carlton Tower Hotel purchase at about 10p below last night's price of 137p a share—Lex Service put the finishing touch to an amusing paradox. Here is a group whose quality of earnings (given the high car sales content) has been questioned in the past, now standing on what looks like a prospective fully diluted p/e of 18.8: it is buying immediate earnings of an assumed high quality— not developing, like some other service industry diversifiers— on an historically 11.4. A sharp issue might have been a problem in this week's apprehensive markets; the placing, on the other hand, confirms Lex's improved standing with the institutional investors.

See also Page 16

They are also likely to resist any agreement which would effectively raise crude oil prices in contradiction to the five-year guarantees signed by the OPEC countries at Tehran and Tripoli earlier this year.

Finally, they are concerned lest any agreement with Iran should adversely affect their position in other producing countries, whose patterns of trade and individual circumstances are completely diverse.

So far, Iran is the only country to have started actual negotiations on the subject, with the talks taking place between the Government and an Iranian Oil Participants team led by Mr. George Percy of Esso.

The talks, however, are expected to set the pattern for the other countries, now watching the developments, while the other members of OPEC, such as Libya and Nigeria, have made it clear that they will follow their own course.

**Directives**  
No negotiations have yet taken place in Libya, though the Government there has issued a directive asking the companies to calculate their dues on the basis of the IMF rates, while actually converting foreign currency on the basis of a new commercial rate.

This effectively means a rise of just under 5 per cent. in its revenue per barrel and the companies are thought to be resisting the move on the grounds that concession agreements ensure dues calculated on commercial exchange rates.

Last month the member States are to report on the progress of the currency talks in the next OPEC meeting early in December, with the threat of concerted action if the negotiations are then considered unsatisfactory. It is unlikely, however, that any agreement will have been made by that time.

**U.K. imports**  
Iran, like other Gulf countries, on the other hand, has conducted its actual oil dues in sterling with the conversion from dollars calculated at the pre-crisis IMF rates.

While it has gained in terms of dollar trade, therefore, and has not suffered in terms of U.K. imports, it has found itself paying more for goods bought in countries, such as Japan, whose currency has revalued against sterling.

Unofficial estimates put these losses at over £16m. since the beginning of the currency crisis and it is now seeking ways of raising its oil revenues to compensate for this.

Against this, the oil companies, while willing to discuss ways of making oil revenue more secure against currency changes, are most reluctant to accept any agreement which would directly tie the level of payments to other, quite separate, aspects of host country trade, particularly when exchange rates are still unsettled.

**Recent losses**  
Pan Am lost \$29m. (£11,648,000) in 1969, \$48m. (£19.6m.) in 1970 and \$39.5m. in the first part of the current year. It has been rumoured that these troubles might encourage the Pan Am Board to oust Mr. Halaby, but under the arrangement announced to-day the former president looks as though he will retain the top job for the time being at least.

Mr. Seawell is a former Air Force man. After his retirement from the Air Force in 1963 he joined American Airlines, eventually becoming senior vice-president-operations, and in 1968 head of the Rolls-Royce U.S. operation.

● In London last night it was understood that no successor will be appointed to Mr. Seawell for perhaps a week or so.

The whole scope of the American subsidiary's operations could possibly now be rethought. Mr. Seawell came from American Airlines to build up the U.S. operation after the TriStar agreement had been won, and he was a manager at Rolls-Royce and a new situation following the collapse of the company earlier this year could, it is thought, view the need for a big American operation rather differently.

● The first trial flight of the European four-stage space rocket, Europe II, crashed in Atlantic on Saturday. The rocket was launched at 1 p.m. from the French national space centre at Kourou, French Guiana.

Late this afternoon, there still appeared to be some uncertainty at the Paris headquarters of the European Space Vehicle Launcher Development Organisation (ELDO), on the exact reasons for the accident.

But it was believed that some telemetry systems had failed at the moment of the separation of the first stage from the rest of the rocket. Europe II crashed into the Atlantic Ocean at a point some 487 km (300 miles) east of Kourou according to an ELDO statement.

The purposes of the launch, known as F-11, were to demonstrate the results of a study of the feasibility of Europe II as well as test the equipment and functioning of the Kourou base.

The flight was under the supervision of the ELDO Secretariat and the rocket was the first European space centre. The rocket carried a 350 kilogram satellite designed to go into earth orbit and to measure flight conditions.

The flight was to have been followed by a second trial in the spring of next year, while by the end of 1972 Europe II was to have been ready to put into simultaneous orbit two Franco-German satellites.

It was not clear to-day what effect the setback will have on this programme. Presumably, the organisation will want to re-visit the results of any inquiry ended in disaster to-day, a few minutes after the rocket's launch at 1 p.m. from the French national space centre at Kourou, French Guiana.

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**First rise in bill rate for eleven weeks**  
Financial Times Reporter  
THE TREASURY bill rate rose slightly at yesterday's tender—by 0.0083 per cent. to 4.5693. It is the first rise since Bank Rate was cut on September 2, and is also the first increase since the Discount market abandoned its practice of submitting a syndicated bid. The last gain in the rate was on August 20, when it stood at 5.8288 per cent.

The minimum accepted tender yesterday was unchanged at 88.85, and bids at that level were only met as to 4 per cent. The amount of bills on offer was increased by £20m. to £100m., and applications rose from £3m. to £324m. All bills offered were allotted.

Next week the amount of bills on offer is down £40m. to £60m., this is the lowest figure since May, 1960, and is set against maturities of £180m.

## Faulkner rejects 'lunatic assumption' of direct rule

BY OUR OWN CORRESPONDENT

BELFAST, Nov. 5.

MR. FAULKNER, the Northern Ireland Premier, to-day gave his own forthright answer to speculation that the British Government was on the brink of imposing direct rule of the Province from Westminster.

He dismissed it as a "lunatic assumption" and declared: "There is no threat to the constitutional position."

The Premier added: "I am quite certain that they (the British Government) have no intention of imposing direct rule." It would not be introduced, he said, "unless the whole constitution had broken down and ordered Government was impossible. That is not the situation."

### Opposition view

Suggestions that a Secretary of State might be appointed in the British Cabinet to be responsible for Northern Ireland affairs were not new, Mr. Faulkner said. They had been made intermittently for 20 years.

But any step towards taking away powers from the Ulster Government would be anti-constitutional, "I would not have it."

Mr. Faulkner, fresh from his talks in London with Mr. Wilson and Mr. Callaghan, claimed that the Opposition had no proposals in mind for direct rule.

"Neither Mr. Wilson nor Mr. Callaghan, to the best of my knowledge, see any change in the present Parliamentary set-up in Northern Ireland," he said. "Labour's attitude will undoubtedly become clearer after a visit next week by a party delegation headed by Mr. Callaghan."

But it is certain that even the unequivocal tone of Mr. Faulkner's remarks to-day will not still the speculation.

Accepting that his discussions with Mr. Wilson and Mr. Callaghan were arranged 10 days in advance—at a time when Labour was expected to force a division on Northern Ireland during the debate in the Queen's Speech—Mr. Faulkner's objective appears to have been to ask the Opposition to have second thoughts about any dramatic new proposals by giving them his estimates of the likely reaction in Ulster.

Apart from the Callaghan mission and the forthcoming Westminster debate on the Northern Ireland crisis, there is no doubt that speculation about political change will continue until there is a definite step taken either by Mr. Heath, or by Mr. Maundling who is having discussions with various political groups in Northern Ireland.

To-day the Province's main opposition group, the Social Democratic Labour Party, who have withdrawn from the Stormont Parliament, reiterated their demand that Stormont should be suspended.

**Commission urged**  
It called for the appointment of a commission representative of both the Protestant and Roman Catholic communities as an interim measure pending talks between the Governments in London and Dublin and Unionists and non-Unionists in Northern Ireland to work out a long-term solution.

At the same time, the Northern Ireland Labour Party said that the imposition of direct rule would leave unresolved the question of how people in Ulster were to live together in peace. The need, said the NLP, was for a coalition government—a coalition administration.

● Terrorists are now using more than a ton of explosive a month to cause explosions in Northern Ireland, according to a written Commons answer by Mr. Geoffrey Johnson Smith, Under-Secretary for Defence.

It shows that the number of bomb incidents in Ulster has increased from 16 during last January to 254 in September and 225 during October.

## £2m. aid to cut fees at direct-grant schools

BY JUSTIN LONG

ADDITIONAL Treasury aid of £2m. for the reduction of fees at Britain's 176 direct-grant Grammar Schools was announced by Mrs. Margaret Thatcher, Education Minister, in the Commons yesterday.

Along with this move, to operate from next January, Mrs. Thatcher foreshadowed Government consideration for a policy whereby students would attend universities in their home area rather than distant institutions, and so obviate accommodation difficulties.

The Minister pointed out that the provision of accommodation was a very expensive element in the higher education budget.

These announcements, along with amplifications of her priorities for primary education, and a further defence of the curtailment of free school milk, were condemned in searing terms by the Opposition.

Labour MP, interrupted her with shouts of "Disgraceful." The new money for the direct grant schools was bitterly criticised as help for the "better-off parents" while those less well-off continued to be deprived.

Mr. Edward Short, from the Opposition Front Bench, accused

Mrs. Thatcher of making ideological war and declared her "beyond redemption." It was the harshest attack so far made on any Minister during the course of this week's debate on the Queen's Speech.

Mrs. Thatcher, protesting that her policies were for a wise use of resources, explained what her changes would mean.

The capital grant payable to each pupil in a direct grant school would be nearly doubled from £32 to £62 a year. Parents whose children did not have free places in these schools might qualify for a remission of part of the fees payable.

### Significant

For example, a family with an income of £1,500 a year with one child at a direct grant school, would have to contribute £12 a term towards the fees instead of nearly £30 as at present.

Defying the hostile outbursts from Labour backbenchers and the provocative demand to know how much free school milk could be supplied for the £2m. she was providing for the grammar school parents, Mrs. Thatcher turned to further education.

She expected about 233,000 students in universities in the academic year 1971-72. This was an increase of 10,000 over the previous year and compared with a target of 220,000—225,000 set by the previous Government.

Moreover, there were to be some additional significant steps in further education, the Minister claimed. The authorities had been notified that £25m. worth of building projects were to start in the financial year 1972-73.

Of this, £5m. would be for major projects at polytechnics. Starts worth £37m. were to be authorised for further education buildings in 1973-74.

None of this appeared the Labour side which found fresh ground for condemnation in Mrs. Thatcher's proposals for changing the basis for financing the students' unions.

In all these matters, Mrs. Thatcher was giving way to the "backwoodsmen" in her party, declared Mr. Short. He accused her of ignoring public opinion and the views of educationists, even of "acting unlawfully" in the pressure she put on local education authorities who were trying to get comprehensive schemes under way.

**52,729 CHRYSLER CARS RECALLED**  
Chrysler Corporation said in Detroit yesterday it was recalling 52,729 early production 1972 Dodge Plymouth Chrysler and Imperial passenger cars, for inspection and replacement, as necessary, of a part of the automatic transmission control system.

## Rolls-Royce U.S. chief to head Pan Am

By Nicholas Colchester

NEW YORK, Nov. 5. MR. WILLIAM T. SEAWELL, president of Rolls-Royce Aero Engines, Inc., the British company's wholly owned sales and service subsidiary in the U.S., is to become president and chief operating officer of Pan American World Airways, the two companies announced to-day.

Mr. Seawell, 53, will be second-in-command of the airline under Mr. Najeeb Halaby, who will leave his present position as president but remain chief executive.

The appointment of Mr. Seawell comes at a time when Pan Am is suffering particularly badly from the severe profitability problems that have afflicted the whole of the U.S. airline industry in recent years.

● The Organisation of Petroleum Exporting Countries (OPEC) dramatically called for talks on the issue last month, however, both the companies and the countries involved appear to have become more cautious over seeking any quick solution to the question.

OPEC's demands were based on the fact that oil country revenues were calculated on dollar posted prices and that the upward movements of other currencies against the dollar had reduced their buying power abroad.

**U.K. imports**  
Iran, like other Gulf countries, on the other hand, has conducted its actual oil dues in sterling with the conversion from dollars calculated at the pre-crisis IMF rates.

While it has gained in terms of dollar trade, therefore, and has not suffered in terms of U.K. imports, it has found itself paying more for goods bought in countries, such as Japan, whose currency has revalued against sterling.

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## Tehran oil talks on Monday

BY ADRIAN HAMILTON

AT THE BEGINNING of what looks like becoming a long series of protracted and highly complex negotiations, a team of Western oil company representatives is to meet the Iranian Government in Tehran on Monday to discuss the issue of producing-country revenues in the light of the currency crisis.

The meeting follows exploratory talks between the two sides last week-end, when the Iranians put forward their case for an increase in oil revenues to compensate for the adverse effects of the de facto devaluation of the dollar since August.

Since the Organisation of Petroleum Exporting Countries (OPEC) dramatically called for talks on the issue last month, however, both the companies and the countries involved appear to have become more cautious over seeking any quick solution to the question.

OPEC's demands were based on the fact that oil country revenues were calculated on dollar posted prices and that the upward movements of other currencies against the dollar had reduced their buying power abroad.

**U.K. imports**  
Iran, like other Gulf countries, on the other hand, has conducted its actual oil dues in sterling with the conversion from dollars calculated at the pre-crisis IMF rates.

While it has gained in terms of dollar trade, therefore, and has not suffered in terms of U.K. imports, it has found itself paying more for goods bought in countries, such as Japan, whose currency has revalued against sterling.

Unofficial estimates put these losses at over £16m. since the beginning of the currency crisis and it is now seeking ways of raising its oil revenues to compensate for this.

Against this, the oil companies, while willing to discuss ways of making oil revenue more secure against currency changes, are most reluctant to accept any agreement which would directly tie the level of payments to other, quite separate, aspects of host country trade, particularly when exchange rates are still unsettled.

**Europe's space rocket crashes in Atlantic**  
BY ADRIAN DICKS  
PARIS, Nov. 5.

The first trial flight of the European four-stage space rocket, Europe II, crashed in Atlantic on Saturday. The rocket was launched at 1 p.m. from the French national space centre at Kourou, French Guiana.

Late this afternoon, there still appeared to be some uncertainty at the Paris headquarters of the European Space Vehicle Launcher Development Organisation (ELDO), on the exact reasons for the accident.

But it was believed that some telemetry systems had failed at the moment of the separation of the first stage from the rest of the rocket. Europe II crashed into the Atlantic Ocean at a point some 487 km (300 miles) east of Kourou according to an ELDO statement.

The purposes of the launch, known as F-11, were to demonstrate the results of a study of the feasibility of Europe II as well as test the equipment and functioning of the Kourou base.

The flight was under the supervision of the ELDO Secretariat and the rocket was the first European space centre. The rocket carried a 350 kilogram satellite designed to go into earth orbit and to measure flight conditions.

The flight was to have been followed by a second trial in the spring of next year, while by the end of 1972 Europe II was to have been ready to put into simultaneous orbit two Franco-German satellites.

It was not clear to-day what effect the setback will have on this programme. Presumably, the organisation will want to re-visit the results of any inquiry ended in disaster to-day, a few minutes after the rocket's launch at 1 p.m. from the French national space centre at Kourou, French Guiana.

**First rise in bill rate for eleven weeks**  
Financial Times Reporter  
THE TREASURY bill rate rose slightly at yesterday's tender—by 0.0083 per cent. to 4.5693. It is the first rise since Bank Rate was cut on September 2, and is also the first increase since the Discount market abandoned its practice of submitting a syndicated bid. The last gain in the rate was on August 20, when it stood at 5.8288 per cent.

The minimum accepted tender yesterday was unchanged at 88.85, and bids at that level were only met as to 4 per cent. The amount of bills on offer was increased by £20m. to £100m., and applications rose from £3m. to £324m. All bills offered were allotted.

Next week the amount of bills on offer is down £40m. to £60m., this is the lowest figure since May, 1960, and is set against maturities of £180m.

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